



The CPD Fest 2020

Regulatory & Practical Issues for Irish Firms

Presenter:

Des O'Neill & Mike O'Halloran

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Core Technical Online CPD for Irish Accountants
Tax, Audit, Financial Reporting, Insolvency, Company Law, Regulation,
Management Accounting & Business Skills



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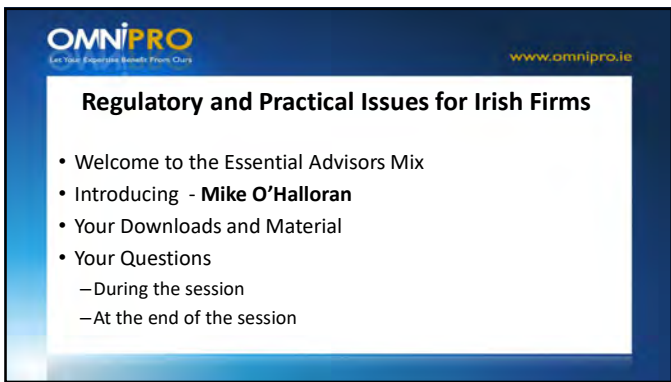
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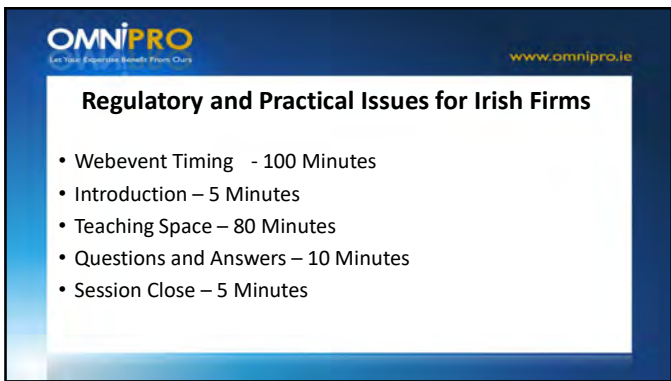




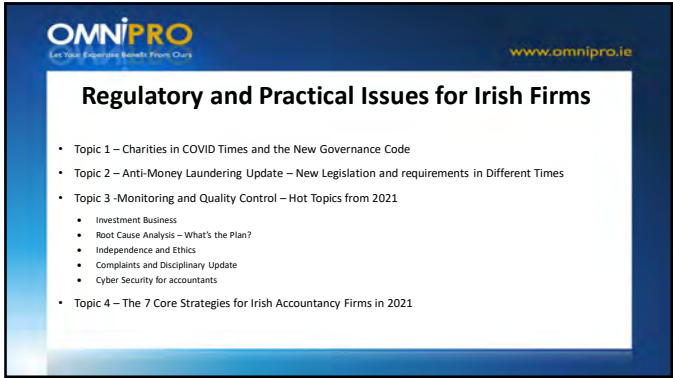
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Regulatory and Practical Issues for Irish Firms

- Topic 1 – Charities in COVID Times and the New Governance Code
- Topic 2 – Anti-Money Laundering Update – New Legislation and requirements in Different Times
- Topic 3 -Monitoring and Quality Control – Hot Topics from 2021
 - Investment Business
 - Root Cause Analysis – What's the Plan?
 - Independence and Ethics
 - Complaints and Disciplinary Update
 - Cyber Security for accountants
- Topic 4 – The 7 Core Strategies for Irish Accountancy Firms in 2021

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Charities Regulatory Authority

- Sanctioned Charity for non compliance – January 2017
- Successful conviction and imprisonment – February 2017
- Internal Financial Controls for Charities – June 2017
- Guidance for Charity Trustees – June 2017
- July 2017 First Inspectors Report – Ataxia Ireland CLG
- Guidelines for Charitable Organisations Fundraising from the Public – September 2017
- Report on Unregistered Charity Shops – September 2017
- Governance Consultation – October 2017
- www.trusteelearning.ie - November 2017

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Charities Regulatory Authority

- Update on House to House Clothing Collections - December 2017
- What is a Charity Guidance – January 2018
- Guidance on Charities and the Promotion of Political Causes – February 2018
- Inspectors report GLEN – April 2018
- Managing Conflicts of Interest Guidance – May 2018
- May 2018 S.66 Inspectors Report – Solas Galway Picture Palace CLG
- Consultative Panel on the Governance of Charitable Organisations
- 7/11/18 Charities Governance Code Launched
- 2019 Learning - 2020 Compliance - 2021 Reporting
- December 2019- Inspectors report- Galway University Foundation

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The Growing Influence and Impact of the CRA

- 319 Concerns received in 2016
- 561 Concerns received in 2017
- 686 Concerns received in 2018
- 649 Concerns received in 2019

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Issues raised by CRA inspectors in recent Investigations

- Use of monies on long distance taxi journeys is not consistent with value for money considerations.
- Charitable funds used on business class flights and 4/5 star accommodation.
- Mileage/overnight rates in excess of revenue guidelines.
- Spousal travel incurred by the charity
- Spending incurred by the charity on tickets to sports events
- No credit card policies in place. Too much autonomy on the part of the holder.
- No backup for expense claims.
- Lack of transparency showing the underlying purpose of expenditure.

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Issues raised by CRA inspectors in recent Investigations

- Charitable funds were used to support the individual political campaign of the founder.
- Inadequate and inappropriate controls were applied to the use of charity credit cards, including personal expenditure and cash withdrawals. €51k (35% of CC spending) not vouched.
- Absence of documented internal controls guidance specific to credit card usage. Absence of meaningful independent review by the board of credit card spending. Holder had too much autonomy.
- Auditor did not formally communicate weaknesses in mgt letter.
- No agreement in place for payments to third party charity. Not disclosed as related party transaction.
- Single authorisation and approval of bank transfers.

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Issues raised by CRA inspectors in recent Investigations

- Salary paid to trustees contrary to stated position.
- Lack of transparency regarding payments made to trustees. Board not made aware.
- Weaknesses in financial governance. Management accounts/budgets not prepared.
- Error in pension arrangements resulting in the charity paying the employee and employer contributions.
- Weakness in controls over travel and expenses. Lack of review. Lack of details. Personal expenditure on credit card for alcohol/supermarkets.
- Practice of signing blank cheques.
- CEO salary not appropriately benchmarked. CEO not formally appraised

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Charities Governance Code

- The minimum standard that charities should meet to effectively manage their charity.
- Promotes good governance
- 2019- Year of learning
- 2020- Year of compliance
- 2021- year of reporting

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Six Principles of the Charities Governance Code

- Advancing charitable purpose
- Behaving with integrity
- Leading people
- Exercising control
- Working effectively
- Being accountable and transparent

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Application of the Charities Governance Code

- Code is for charity trustees and is written with volunteer only/ small staff charities in mind.
- Designed to help charities meet their legal duties and comply with rules.
- CRA online toolkit
- Charities are expected to meet the core principles that apply to them.
- More complex charities should meet the additional standards.
- How can you apply this to charity audits?

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Reporting Compliance with Charities Governance Code

- Declare compliance status at the same date as filing annual report
 - Fully compliant
 - Partially compliant
 - Have not started implementing
- Review of completed compliance reports
- New compliance record each year

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Charity Financial Reporting & Audits under Covid-19

Covid-19 considerations & impact on work;

- Use of Covid-19 Supplementary Procedures Checklist;
 - Evidence of firms awareness of Covid-19 & impact on work;
- Planning issues;
 - APM updated for Covid-19 issues?;
 - Consideration of audit risks –
 - Covid-19 risks (incl. fraud)?
 - Updated understanding of the entity & business risks;
 - Meetings with audit team & management;

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Charity Financial Reporting & Audits under Covid-19
Covid-19 considerations & impact on work;

- Completion issues;
 - Letter of Representation;
 - Tailored for Covid-19
 - Going concern issues;
 - Funding issues (fundraising / state funding support)
 - Is the going concern basis appropriate;
 - Post balance sheet events;
 - Reporting requirements / obligations?

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Charity Financial Reporting & Audits under Covid-19
Covid-19 considerations & impact on work;

- Financial Statement areas;
 - Consider the correct accounting treatment;
 - Requirement to carry out / consider impairment review;
 - Assets held for service potential (alternative basis – depreciated replacement cost)
 - Walk-through / systems tests
- Do the financial statements show a true & fair view?
 - Do the financial statements require additional disclosures?

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AML Whistleblowing procedure- Section 54 (6A) CJA 2010

- European Union (MLTF) Regulations 2019
- “A designated person shall have in place appropriate procedures for their employees, or persons in a comparable position, to report a contravention of this Act internally through a specific, independent and anonymous channel, proportionate to the nature and size of the designated person concerned.”
- A policy is required in AML procedures to address this.

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Whistle Blowing Policy Wording

Firm Name is aware of its requirements in accordance with S.54(6A) of the 2010 Act to ensure that it has an appropriate procedure in place for our employees, or persons in a comparable position, to report a contravention of the 2010 Act internally through a specific, independent and anonymous channel. In order to comply with this, the firm has appointed MLRO Reporting Officer⁶ as the designated person to whom reports of a contravention of the 2010 Act may be made to internally. Upon receipt of a report, this will be investigated and technical advice may be sought from Omnipro in the event that the matter cannot be resolved internally. All reports of this nature will be dealt with confidentially and anonymously.

⁶ This individual does not necessarily have to be the MLRO but should be Independent. Firms may want to appoint a senior partner to this position instead of the MLRO to keep this whistleblowing function separate.

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RBO requirements on "designated persons"

- SI 110 of 2019
- If a "designated person" identifies a discrepancy then they are required to notify the RBO.
- Not specifically required to check the RBO when assessing for AML.
- Notification by filing a discrepancy notice.

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RBO - Discrepancy Procedure

As part of our identification and verification of beneficial owners, we may use the Register of Beneficial Ownership (RBO). If we do use this, we will not solely rely on it for the purposes of ascertaining the beneficial ownership in an entity. If, following a review of the RBO, we identify a discrepancy we shall notify the registrar in a timely manner of the nature of this discrepancy in accordance with regulation 20 of SI 110/2019. Any discrepancies will be reported by filing a discrepancy notice to discrepancies@rbo.gov.ie.

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5th Money Laundering Directive

- Key Features
 - Centralised beneficial ownership register
 - Preventing the use of letterbox companies
 - Enhanced due diligence for nationals from risky countries
 - Extending the scope of industries subject to AML legislation
 - Limit the use of electronic money currencies
 - Enhance the powers of the EU FIUs
 - Provide protection for whistleblowers

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COVID-19

- COVID-19 presents several new challenges from an AML perspective
- Spike in "Covid-19 SARs"- 27 in a 3 day period in UK
- Exploitation of COVID-19 to account for money movements
- Exploiting changes in behaviour patterns during COVID-19.
 - Large cash deposits to companies citing COVID-19 as reason for payment
 - Lodgement to company claiming to be refund of flights as a result of COVID-19
 - Business owners making deposits for staff wages
 - Businesses that should be closed have continued to trade

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AML Monitoring Visits

AML Monitoring Visits - The approach

- Off-site 'stand alone' AML Monitoring Visits (CAI, ACCA, CPA)
- Visit Approach
 - Planning (request for information (including client list?);
 - Opening meeting (interview with MLRO);
 - Review of AML whole firm documents (AML manual / MLCR / Training records);
 - Review of client files based on risk;
 - Interview with staff (focus on understanding of 'on-boarding' procedures & internal reporting procedures);
 - Closing meeting MLRO.

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Monitoring and Quality Control – Hot Topics from 2021

- Investment Business;
- Root Cause Analysis – What’s the Plan?
- Independence and Ethics;
- Complaints and Disciplinary Update;
- Cyber Security for accountants.

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Investment Business ('IB')

- Firms authorised for IB are subject to monitoring visits.
 - Increased monitoring during 2020 (& expected into 2021)
- Since October 2018 with introduction of EU Insurance Distribution Directive (IDD), 'insurance policies' have been removed from the scope of IIA Act 1995;
- Firms which are actively involved in advising on or arranging insurance products, including insurance-based life and pension products, must be registered for such activities directly by CBI.
- Firms that currently hold IB authorisation and make referrals to 3rd parties in respect of other types of investments or for investment advice or are themselves actively carrying on IB will need to continue to require authorisation (either from Institute or CBI)
- Central Bank registration – time consuming & subject to many delays.

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Investment Business ('IB')

- All firms authorised for IB are;
 - required to comply with the requirements of the IB regulations;
 - regardless of whether they are providing investment business advice.
- As a minimum, firms authorised for IB should have the following;
 - Written Procedures;
 - Training;
 - Category IA2 or above must ensure they also comply with the CBI's Minimum Competency Code;
 - Annual IB Compliance Review
- Firms should review their level of IB authorisation
 - Are you over / under authorised;
 - Do you need authorisation with your Institute?

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CAI inspections carried out in 2019

A summary of the inspections carried out in 2019 is included in the table below.

Inspection Type	Number of Inspections Commenced	Inspections Completed in year	Satisfactory	Not satisfactory
Audit	107	113	80	33
Practice Monitoring	12	14	10	4
Investment Business ROI	19	13	13	0
DPB	3	3	3	0
AML UK	53	56	49	7
AML RDI	68	73	67	6
Insolvency GB/NI	9	12	12	0
Insolvency ROI	20	19	14	5
CPD Records (CPD Monitoring)	264	255	247	8

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IAASA's RAB quality assurance summary for 2019

Table 3.3 Quality assurance activities in 2019

	Total	ACCA	CPA	ICAEW	ICAI	ICAS
Quality assurance reviews open at 1 January 2019	100	10	7	58	17	8
Quality assurance reviews carried out during 2019	873	98	104	533	107	31
Quality assurance reviews concluded during 2019	-826	-87	-95	-496	-113	-35
Quality assurance reviews open at 31 December 2019	147	21	36	95	31	4
Quality assurance reviews that resulted in regulatory action	145	17	21	51	34	22

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Root Cause Analysis – What's the Plan?

- As part of the visit process, firms are asked to perform a root cause analysis to identify why (underlying causes) the issues noted during the visit arose;
- Root cause analysis (RCA) is a evidence based approach / technique for identifying the underlying key causes behind review findings and finding solutions.
- Understanding the causes means that audit firms;
 - can then take action to prevent recurrence of negative outcomes; and
 - to promote recurrence of positive ones.
- RCA does not have to be complicated and it can be very powerful if done well;
- In simple terms, it is a matter of asking 'why?', possibly several times.

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Root Cause Analysis – What's the Plan?

More information;
FRC;
<https://www.frc.org.uk/getattachment/dc0bba94-d4cd-447c-b964-bad1260950ec/Root-Cause-Analysis-audit-quality-thematic-report-Sept-2016.pdf>
CAI;
<https://carbregulatoryboard.newsweaver.com/NewTemplate/hnjx5gh94kp16nbtso6yxz?a=1&p=3267640&t=663822>

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Independence and Ethics

- Consistently raised on monitoring visit;
 - Issues around understanding & documentation
- Firms need to be aware of;
 - IAASE Ethical Standards (2017);
 - Updated IESBA Intl Code of Ethics (April 2018)
 - Institutes have adopted the IESBA Code of Ethics at the basis for their Codes of Ethics;
 - Companies (Statutory Audits) Act 2018
 - The new Companies (Statutory Audits) Act 2018 incorporated in legislation provisions in relation to independence that were previously include in the Ethical Standards or the various Codes of Ethics.
- Reasonable and Informed Third Party

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Independence and Ethics

- Understanding the issues;
 - Long association / Fee issues / Provision of non-audit services;
 - Other issues (acting when not permitted?)
- Documenting the issues;
 - Potential threat to independence;
 - The safeguards applied;
 - How and when communicated to mgmt.
- Applying appropriate safeguards;
 - Ultimate safeguard – external hot file review;
 - ES – PAASE;
 - Cold file reviews;
 - Documentation & communication.

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Complaints and Disciplinary Update

Do's and Don'ts

- Don't ignore it / sit on it – act immediately;
 - Timing is key;
- Don't be fearful of it – yes its stressful but don't be afraid of it;
 - You'll have a complaint at some stage in professional career;
- Do seek professional advice – contact OmniPro;
- Do provide as much background – don't hold anything back;
- Do be professional – take personalities out of the equation.
- Many are spurious & vexatious – used to support complainant's position on something else.

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Table 3.4: Movement in complaints relating to statutory auditors/audit firms in 2019

	Total	ACCA	CRA	ICAEW	ICAI	IFAC
Complaints open at 31 January 2019	277	20	5	143	104	5
New cases arising during the year	235	29	10	137	53	7
Outcome of cases closed:						
Adverse finding was made (including consent order)	58	7	1	30	19	1
No case to answer found	125	5	2	81	30	7
Closed as out of scope	18	3	1	9	5	0
Closed by withdrawal	2	1	1	0	0	0
Closed by conclusion:						
Other	4	0	0	0	4	0
Total closed in 2019	236	24	7	130	64	10
Complaints open at 31 December 2019	296	24	8	159	92	3

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Cyber Security for Accountants

- A serious risk for accountants and firms;
- Forget about GDPR this is the real risk;
- GDPR was only for starters;
- Reputational & financial risks of breach;
- Key points;
 - Training & awareness;
 - The human issue;
 - Process reviews;
 - Responding to incidents;
 - IT review, protection upgrade and planning.

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7 Core Strategies for Accounting Firms in 2021

1. Be Honest - Be Brutally Honest – Ask yourself better Questions
2. Think Strategy
3. Think Who not How
4. Think Simplification and Think Membership
5. Think Technological Evolution
6. Think Growth
7. Take Action - Apply the 80% Rule and then apply the 80% Rule the second time

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BUILT TO SELL - 7 STEP FORMULA

1. Develop Products or Services with the Potential to Scale
 - Product
 - Quality and cost
 - Profitability
2. Identify the Ideal Customer to Buy the Products and Services
 - Market
 - Product fit
 - Buyer persona
3. Create a Positive Customer Cycle
 - Value
 - Service
 - Retention
 - Referrals
 - Repeat business
4. Build the Team
 - Recruitment
 - Training
 - Retention
 - Performance
 - Compensation
 - Structure
5. Develop a System to Repeat the Sale
 - Standard operating procedure
 - Automation
 - Technology
 - Documentation
 - Process
 - Control
6. Develop a Single Case Scenario and a Sales Process
 - Case study
 - Proposal
 - Contract
 - Delivery
 - Support
 - Feedback
7. Develop a Strategy for Selling Team Members
 - Recruitment
 - Training
 - Retention
 - Performance
 - Compensation
 - Structure

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Recurring Revenues - A Subscribed Accountancy Business

- Unlimited support – No clock watching
- Tech Advisory – Real time Collaboration – Real Time Results – There is an App for that A Transparent Model - Customised Up Front Pricing – Only good surprises
- Virtual Advisory and Access - A success path for your customers putting them in the driving seat
- Focusing on what is Truly Important – Discovery through a Results Conversation
- Menu priced options putting the customer in control
- The ultimate in Simplification
 - Easier to use
 - More useful
- The customer at the centre of everything

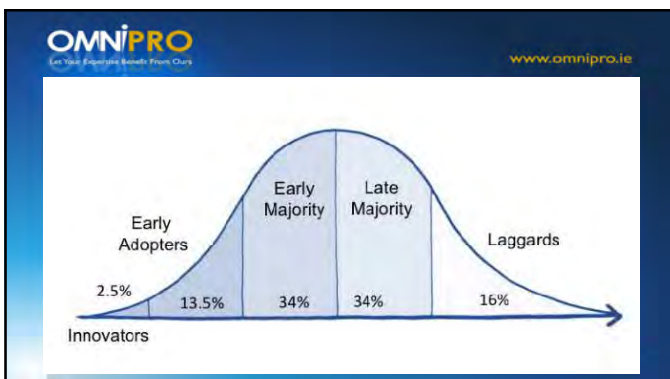
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Think Growth - Marketing 101 for Accountants

- Your Strategy and Positioning
- Self Assessment
- Customer Classification
- Red Velvet Rope Policy
- Defining your Ideal Customer
- Niching
- Become a Category Authority
- Basic Credibility Builders
- Focus
- The 6 Pillars of Accounting Firm Marketing
- Networking
- Direct Outreach
- Referrals
- Writing
- Speaking
- The Web
- Email Marketing
- Integrated Sales Process

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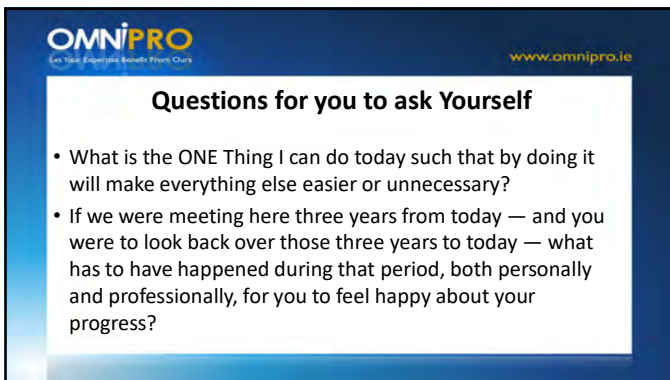
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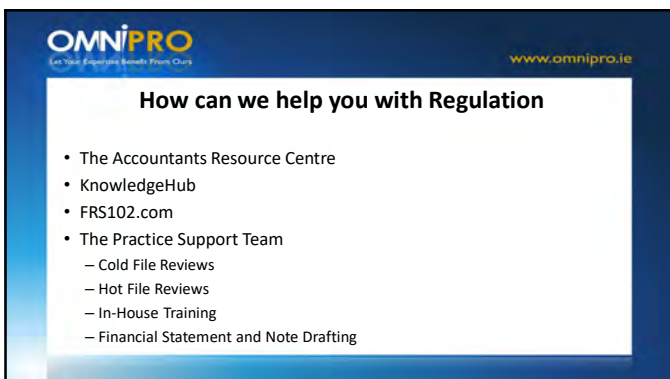
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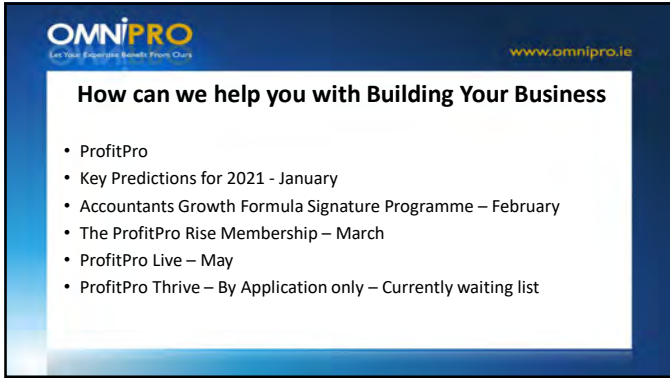
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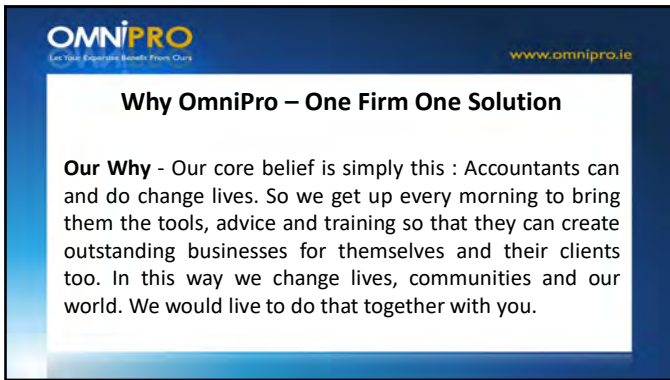
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How can we help you with Building Your Business

- ProfitPro
- Key Predictions for 2021 - January
- Accountants Growth Formula Signature Programme – February
- The ProfitPro Rise Membership – March
- ProfitPro Live – May
- ProfitPro Thrive – By Application only – Currently waiting list

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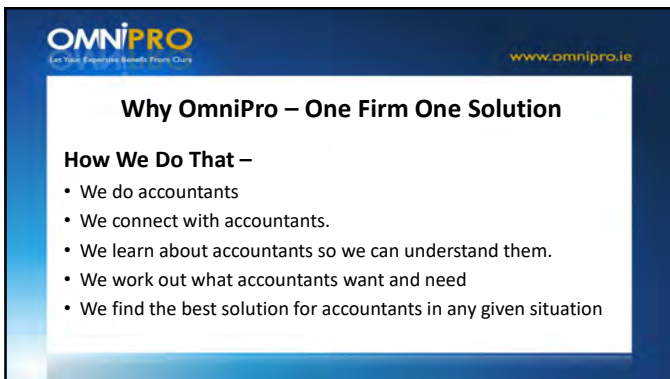
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Why OmniPro – One Firm One Solution

Our Why - Our core belief is simply this : Accountants can and do change lives. So we get up every morning to bring them the tools, advice and training so that they can create outstanding businesses for themselves and their clients too. In this way we change lives, communities and our world. We would live to do that together with you.

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Why OmniPro – One Firm One Solution

How We Do That –

- We do accountants
- We connect with accountants.
- We learn about accountants so we can understand them.
- We work out what accountants want and need
- We find the best solution for accountants in any given situation

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Why OmniPro – One Firm One Solution

What We Do We provide accountants with consulting, training and information products in the areas of;

- practice management, business development & marketing;
- company secretarial & taxation;
- audit & financial reporting;
- professional regulation and disciplinary defence.

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Charities
Regulator

Charities Governance Code

Legal Disclaimer

This governance code is issued by the Charities Regulator under section 14(1)(i) of the Charities Act 2009, to encourage and facilitate the better administration and management of charitable organisations. It is intended to provide support to charity trustees to meet their legal duties, by putting in place systems and processes which focus on advancing the charitable purpose and providing a public benefit and ensuring charities are managed in an effective, efficient, accountable and transparent way.

It is not, nor is it intended to be, a definitive statement of the law and it does not constitute legal advice. Charity trustees are recommended to obtain their own legal advice where necessary. The Charities Regulator accepts no responsibility or liability for any errors, inaccuracies or omissions in this governance code.

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**This Charities Governance Code explains
the minimum standards you should meet to
effectively manage and control your charity.**

About the Charities Governance Code

This Charities Governance Code explains the minimum standards you should meet to effectively manage and control your charity. Good governance involves putting in place systems and processes to ensure that your charity achieves its charitable objectives with integrity and is managed in an effective, efficient, accountable and transparent way.

We have included a glossary of terms we use in this guide on pages 28 to 36.

We refer to this Charities Governance Code as the 'Code' in this document.

What is the Code?

The Charities Governance Code is:

- six principles of governance which all charities should apply;
- core standards that we expect all charities to meet when putting the principles into action; and
- additional standards that reflect best practice for charities with high levels of income and/or complex organisational and funding structures and/or significant numbers of employees.

We wrote the Code with volunteer-only charities and charities with a small number of paid staff in mind, as this reflects the reality of the charity sector in Ireland where these two groups make up the majority of registered charities.

Additional governance standards have been included which we expect more complex charities to meet.

For these reasons, the Code is relevant for every charity operating in Ireland.

Who is the Code for?

This document is for charity trustees. The term 'charity trustee' can include:

- committee members;
- council members;
- board members; or
- directors of a charity.

By law, charity trustees have individual and joint responsibility for what happens within their charity. This means that if their charity does not meet its legal duties, they are responsible both as individuals and together as a board, committee, council or other core group (referred to in this Code as the 'board').

Why did we write the Code?

In March 2017, the Charities Regulator set up a Consultative Panel on the Governance of Charitable Organisations. The Panel's report¹ was published in May 2018 and made 10 proposals including:

- There should be a new Governance Code for charities issued by the Charities Regulator to facilitate the better administration, management and governance of charitable organisations;
- The new Governance Code should be principles-based and should operate on a 'comply or explain' basis;
- The new Governance Code should be proportionate.

This Code will help charity trustees meet their legal duties under charity law.

The Charities Regulator is aware that some charities must also comply with other rules and codes specific to their area of work. This Code specifically aims to help charity trustees to put good governance systems and processes in place, which will assist them in meeting their legal duties under charity law. (See Legal duties on page 10).

1 'Report of the Consultative Panel on the Governance of Charitable Organisations' - available from: <https://www.charitiesregulator.ie/media/1389/report-of-the-consultative-panel-may-2018.pdf>

How should you use the Code?

You should read this Code and be familiar with its six principles and its standards – core and additional. You then need to comply with the Code by deciding:

- what actions you will take to meet each core standard; and
- what evidence you will keep to show that you have met the standard.

To make it easy for you to give us this information, we have included at the end of this document the ‘Charities Governance Code Compliance Record Form’ also referred to as the ‘Compliance Record Form’ in this Code. A version that you can edit is also available on our website².

We expect all charities to meet all of the core standards set out in this Code, unless a particular core standard does not apply to a particular charity. For example, if you are a volunteer-only charity you cannot meet core standards that apply to charities that employ staff.

We expect more complex charities to meet both the core and the additional standards set out in this Code. Each charity should decide for itself whether their charity should meet the additional standards and base this decision on indicators such as:

- your charity’s income;
- the number of employees you have; and
- the complexity of your activities including things like,
 - working with vulnerable people,
 - operating overseas, or
 - having large numbers of volunteers.

Some charities, regardless of their complexity, may also decide to meet some or all of the additional standards if they have the organisational capacity to do so.

2 The ‘Charities Governance Code Compliance Record Form’ can be downloaded from our website - www.charitiesregulator.ie

Showing how well you are complying with the Code

Every charity must provide an annual report to the Charities Regulator. As part of your annual report, you must indicate whether or not your charity complies with the Code. If your charity is not complying with the Code, we will ask you to explain why. Valid reasons for non-compliance may include:

- Your charity is in the process of winding up.
- Your charity is newly established and needs more time to fully comply.

How to report compliance

To comply with the Code, you must complete the Compliance Record Form (included at the end of this document and on our website) every year. On the form, you need to identify the actions you took in the year to meet each standard.

You must keep this Compliance Record Form as the Charities Regulator could ask you for it at any time.

We know that every charity is unique. For this reason, the language we use in each standard is broad so that you can choose how your charity meets the standards to suit your charity's specific circumstances.

Example

The use of the phrases 'regularly' and 'from time to time' allows your board of charity trustees to discuss, agree and document what time period is appropriate for your charity, in terms of size, income and structure.

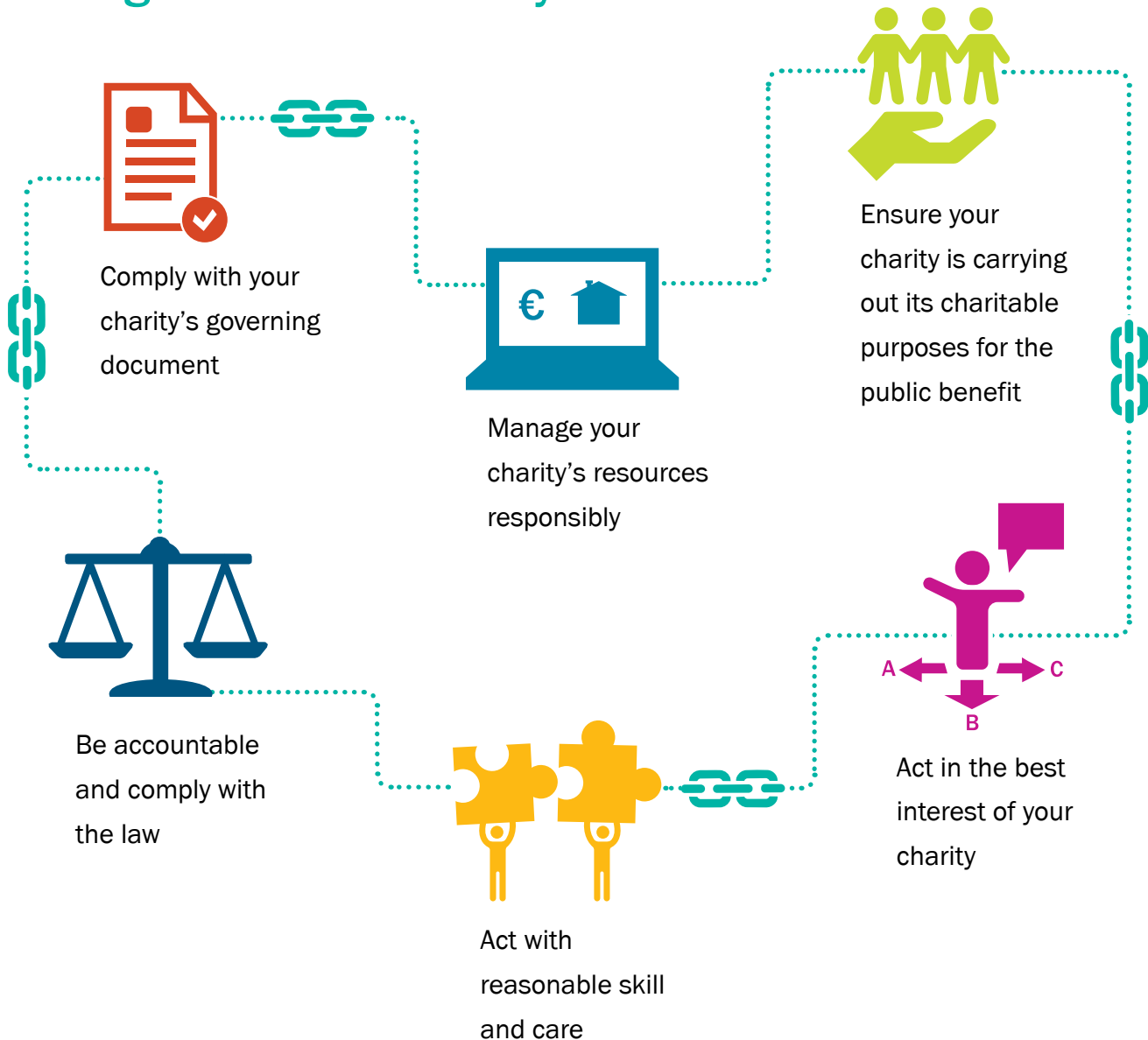
Evidence – wide variety acceptable

There is also flexibility about the type of evidence that we expect. For a volunteer-only charity, for example, we will be satisfied with board minutes that show decisions have been discussed and documented. This will be enough to meet many of the core standards in this Code.

In time, we will publicly display whether or not your charity complies with this Code. This will be part of your entry on the Register of Charities³. Where compliance with the Code is indicated on the Register of Charities, it should give confidence to all stakeholders that your charity has effective governance systems and processes in place.

3 The Register of Charities is available from:
<https://www.charitiesregulator.ie/en/information-for-the-public/search-the-charities-register>

Legal duties of charity trustees⁴



An important note about legal requirements

Charity trustees have specific duties under the Charities Act 2009 and must make sure that their charity complies with the requirements of other relevant legislation.

Other relevant legislation includes:

- data protection legislation;
- employment legislation; and
- health and safety legislation.

Where a charity is a company, a charity trustee who is also a director of the company has additional duties under company law and common law in their capacity as company directors.

4 See 'Guidance for Charity Trustees' - available from: <https://www.charitiesregulator.ie/media/1078/guidance-for-charity-trustees-july-2017.pdf>

Ten steps to reporting on compliance



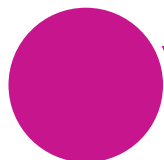
STEP 1

Read the Code in full.



STEP 2

Decide if your charity is more complex for the purpose of the Code.



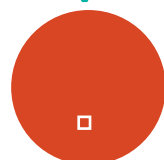
STEP 3

For each standard, decide what action or actions you will take to meet that standard in your charity.



STEP 4

State each action next to the relevant standard in the Compliance Record Form included with this document. You can also download the form from our website⁵.



STEP 5

If any of the standards do not apply to your charity, explain why next to that standard in the Compliance Record Form⁶.

⁵ You can download the Compliance Record Form from our website - www.charitiesregulator.ie

⁶ The Charities Regulator expects all charities to meet all of the core standards where applicable.

STEP 6

Decide what evidence you can provide for the action or actions that you are taking to meet each standard that applies to your charity.

**STEP 7**

State the evidence you can provide next to the relevant action in the Compliance Record Form.

**STEP 8**

Review the Compliance Record Form and agree it is accurate at a board meeting.

**STEP 9**

Declare your charity's compliance (or provide your charity's reason for not complying) with the Code when submitting your annual report to the Charities Regulator.

**STEP 10**

Having considered the standards, actions and evidence (steps 3 to 7) again, complete a fresh Compliance Record Form at a board meeting every year before reporting on compliance to the Charities Regulator.



The six principles of charity governance

Charity trustees are responsible for the governance of their charity and should make sure that the following governance principles are being applied. Your charity is:



Some of these principles relate to the inner workings of the board of charity trustees and others to the external activities of the charity, but they are all equally important.

We discuss each of the six principles in turn to explain:

- why it is important; and
- how to put the principle into action using:
 - core standards, and
 - additional standards⁷.

⁷ If you are unsure about any of the information in this Code, please contact us.



Principle 1: Advancing charitable purpose

Why this principle is important

Charitable purpose has a specific meaning in charity law. The Charities Act 2009 sets out four categories of charitable purpose:

- prevention or relief of poverty or economic hardship;
- advancement of education;
- advancement of religion; and
- any other purpose that is of benefit to the community⁸.

A charity must promote at least one of these purposes and must provide public benefit.

A charity's governing document elaborates on the charitable purpose in the main object clause by describing:

- what outcomes the charity is set up to achieve;
- how it will achieve these outcomes;
- who will benefit from these outcomes; and
- where the benefits will be felt.

By law, charity trustees must ensure their charity promotes its charitable purpose only and that it is of public benefit.

⁸ See 'What is a Charity?' guidance document - available from:
<https://www.charitiesregulator.ie/media/1544/what-is-a-charity-rev-001.pdf>

Putting the principle into action

1. Core standards for advancing charitable purpose

- 1.1. Be clear about the purpose of your charity and be able to explain it in simple terms to anyone who asks.
- 1.2. Consider whether or not any private benefit arises (see glossary on pages 28 to 36). If a private benefit arises, consider if it is reasonable, necessary and ancillary to the public benefit that your charity provides.
- 1.3. Agree an achievable plan for at least the next year that sets out what you will do to advance your purpose.
- 1.4. Make sure your charity has the resources it needs to do the activities you plan. If you don't have the resources, you need to show a plan for getting those resources.
- 1.5. From time to time, review what you are doing to make sure you are still:
 - acting in line with your charity's purpose; and
 - providing public benefit.

Additional standards

- 1.6. Develop your charity's strategic plan and associated operational plans.
- 1.7. Make sure there is an appropriate system in place to:
 - monitor progress against your plans; and
 - evaluate the effectiveness of the work of your charity.
- 1.8. From time to time, consider the advantages and disadvantages of working in partnership with other charities, including merging or dissolving (winding up).



Principle 2: Behaving with integrity

Why this principle is important

Ethics are fundamental in the charity sector. Statements about ethos can undoubtedly play an important role, but it is when these values are lived out that they are at their most powerful. Charity trustees have the power to create an ethical culture and set a tone where agreed values are reflected in everything the charity does. The behaviour of individual charity trustees is very important; they must lead by example.

The legal duty to act in the best interests of the charity means that charity trustees must:

- be independent; and
- not act in their own personal interest or the interest of other individuals or bodies.

This principle also means that charity trustees should maintain confidentiality about sensitive board matters. However, this requirement for confidentiality does not apply if it becomes necessary for a charity trustee to inform the Charities Regulator about any matter which could threaten the future of the charity.

Putting the principle into action

2. Core standards for behaving with integrity

- 2.1. Agree the basic values that matter to your charity and publicise these, so that everyone involved understands the way things should be done and how everyone is expected to behave.
- 2.2. Decide how you will deal with conflicts of interests and conflicts of loyalties. You should also decide how you will adhere to the Charities Regulator's guidelines on this topic⁹.
- 2.3. Have a code of conduct for your board that is signed by all charity trustees. It must make clear the standard of behaviour expected from charity trustees. This includes things like maintaining board confidentiality and what to do in relation to:
 - gifts and hospitality; and
 - out-of-pocket expenses.

There are no additional standards for this principle as behaving with integrity applies equally to all charities, whatever their size or complexity.

9 See 'Managing Conflicts of Interest' guidance document - available from: <https://www.charitiesregulator>



Principle 3: Leading people

Why this principle is important

The most essential resource of any charity is its people. This means people should feel valued and have clarity around their own roles and the roles of others. Charity trustees are responsible for providing leadership to volunteers, employees and contractors. This includes taking their duty of care towards these people seriously and promoting a culture of respect.

As employers, charities with paid staff also have particular legal responsibilities.

Putting the principle into action

3. Core standards for leading people

- 3.1. Be clear about the roles of everyone working in and for your charity, both on a voluntary and paid basis.
- 3.2. Make sure there are arrangements in place for the effective involvement of any volunteers, including what to do if any problems arise.
- 3.3. Make sure there are arrangements in place that comply with employment legislation for all paid staff including:
 - recruitment;
 - training and development;
 - support, supervision and appraisal;
 - remuneration (money paid for work) and dismissal.
- 3.4. Agree operational policies where necessary, to guide the actions of everyone involved in your charity.

Additional standards

- 3.5. Make sure to document the roles, legal duties and delegated responsibility for decision-making of:
 - individual charity trustees and the board as a whole;
 - any sub-committees or working groups;
 - staff and volunteers.
 - 3.6. Make sure that there are written procedures in place which set out how volunteers are:
 - recruited, supported and supervised while within your charity; and
 - the conditions under which they exit.
 - 3.7. Decide how you will develop operational policy in your charity. You also need to decide how your charity trustees will make sure that the policy is put in place and kept up to date.
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Principle 4: Exercising control

Why this principle is important

All charities, no matter what their complexity, must abide by all legal and regulatory requirements that are relevant to the work they do. The charity trustees are responsible for making sure this happens. Charity trustees must understand that the governing document of a charity is a legally binding document in its own right.

The trustees are also responsible for a charity's funds and any property or other assets that it holds. As much as is possible, they must also consider and reduce risks to which their charity is exposed.

It is essential that you exercise proper control of your charity. This goes a long way to keeping the confidence of:

- regulators;
- funders;
- beneficiaries; and
- the general public.

Putting the principle into action

4. Core standards for exercising control

- 4.1. Decide if your charity's current legal form and governing document are fit for purpose. Make changes if necessary, telling the Charities Regulator in advance that you are doing so.
- 4.2. Find out the laws and regulatory requirements that are relevant to your charity and comply with them.
- 4.3. If your charity raises funds from the public, read the Charities Regulator's guidelines¹⁰ on this topic and make sure that your charity adheres to them as they apply to your charity.
- 4.4. Make sure you have appropriate financial controls in place to manage and account for your charity's money and other assets¹¹.
- 4.5. Identify any risks your charity might face and how to manage these.
- 4.6. Make sure your charity has appropriate and adequate insurance cover.

Additional standards

- 4.7. Have written procedures to make sure that you comply with all relevant legal and regulatory requirements.
- 4.8. Make sure there is a formal risk register that your board regularly reviews.
- 4.9. Consider adopting additional good practice standards that are relevant to the particular work that your charity does.

10 See 'Guidelines for Charitable Organisations on Fundraising from the Public' - available from: <https://www.charitiesregulator.ie/media/1265/guidance-for-fundraising-english.pdf>

11 See 'Internal Financial Controls Guidelines for Charities' - available from: <https://www.charitiesregulator>



Principle 5: Working effectively

Why this principle is important

Running a charity well means you need capable charity trustees who work together as an effective team. Board meetings are especially important, as this is where charity trustees exercise their collective authority. It is also important that there is a good mix of skills, experience and background amongst charity trustees and that these are refreshed on an ongoing basis. It is vital that new charity trustees receive a proper induction to the charity.

Putting the principle into action

5. Core standards for working effectively

- 5.1. Identify charity trustees with the necessary skills to undertake:
 - any designated roles set out in your governing document; and
 - other roles as appropriate within the board.
 - 5.2. Hold regular board meetings. Give enough notice before meetings and provide prepared agendas.
 - 5.3. At a minimum, your board agendas should always include these items:
 - reporting on activities;
 - review of finances; and
 - conflicts of interests and loyalties.
 - 5.4. Make sure that your charity trustees have the facts to make informed decisions at board meetings and that these decisions are recorded accurately in the minutes.
 - 5.5. Consider introducing term limits for your charity trustees, with a suggested maximum of nine years in total.
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- 5.6. Recruit suitable new charity trustees as necessary and make sure that they receive an induction.
- 5.7. Make sure all of your trustees understand:
 - their role as charity trustees;
 - the charity's governing document; and
 - this Code.
- 5.8. Commit to resolving problems and emerging issues as quickly as possible and in the best interests of your charity.
- 5.9. From time to time, review how your board operates and make any necessary improvements.

Additional standards

- 5.10. Make sure you send out board packs with enough notice and include all relevant reports and explanatory papers to enable informed decision-making.
- 5.11. Make sure that you have a charity trustee succession plan in place and consider how you can maximise diversity among your charity trustees.
- 5.12. Put in place a comprehensive induction programme for new charity trustees.
- 5.13. Conduct a regular review that includes an assessment of:
 - the effectiveness of your board as a whole, office holders and individual charity trustees;
 - adherence to the board code of conduct; and
 - the structure, size, membership and terms of reference of any sub-committees.
- 5.14. Do regular skills audits and provide appropriate training and development to charity trustees. If necessary, recruit to fill any competency gaps on the board or of your charity.



Principle 6: Being accountable and transparent

Why this principle is important

Accountability for your charity does not just mean accounting for the money you have brought in and spent (although that is clearly very important). It involves being open and transparent about all charity matters. It is about being able to:

- stand over what your charity does and how it does it; and
- justify this to any person or group who queries what your charity has done or is doing.

As an organisation set up to provide public benefit, this means you should be able to explain this to anyone who asks.

A charity's stakeholders are any individuals or groups of people who have a legitimate stake in the work of that charity. This includes:

- the people who benefit (directly or indirectly) from any services provided by the charity;
- members;
- staff and volunteers;
- partner organisations and supporters;
- funders and donors;
- regulators;
- public representatives; and
- the general public.

Being open and transparent is an important way for charities to build public trust not only in their own organisation, but also in the charity sector as a whole.

Putting the principle into action

6. Core standards for being accountable and transparent

- 6.1. Make sure that the name and Registered Charity Number (RCN) of your charity is displayed on all of your written materials, including your:
 - website;
 - social media platforms; and
 - email communications.
- 6.2. Identify your stakeholders and decide how you will communicate with them.
- 6.3. Decide if and how you will involve your stakeholders in your:
 - planning;
 - decision-making; and
 - review processes.
- 6.4. Make sure you have a procedure for dealing with:
 - queries;
 - comments; and
 - complaints.
- 6.5. Follow the reporting requirements of all of your funders and donors, both public and private.

Additional standards

- 6.6. Produce unabridged (full) financial accounts and make sure that these and your charity's annual report are widely available and easy for everyone to access.
 - 6.7. Make sure all the codes and standards of practice to which your charity subscribes are publicly stated.
 - 6.8. Regularly review any complaints your charity receives and take action to improve organisational practice.
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Charities Governance Code Compliance Record Form - SAMPLE

Note: The Charities Regulator has a general interest in promoting compliance by charity trustees with their duties in the control and management of charities arising from section 14(1)(b) of the Charities Act 2009. This document is an information tool only to help charity trustees with the implementation of the Charities Governance Code and the completion of the Compliance Record Form. This document is not a substitute for professional advice. It does not contain an exhaustive list of possible actions or evidence and charity trustees need to understand all laws, regulatory requirements and governance standards applicable to their charity. This document is for guidance only and organisations should complete their own Compliance Record Form.

Legal Disclaimer:

This document is issued by the Charities Regulator under section 14(1)(i) of the Charities Act 2009, to encourage and facilitate the better administration and management of charitable organisations. It is published as part of a suite of guidance, intended to provide support to charity trustees to meet their legal duties, by putting in place systems, processes and policies which ensure charities are managed in an effective, efficient, accountable and transparent way.

This document is not, nor is it intended to be, a definitive statement of the law and it does not constitute legal advice. This document is not a substitute for professional advice from an appropriately qualified source. The Charities Regulator recommends that charity trustees consult their governing document or obtain their own independent legal advice where necessary. The Charities Regulator accepts no responsibility or liability for any errors, inaccuracies or omissions in this document.

Charities Governance Code Compliance Record Form - SAMPLE

Where a particular standard is not applicable to your charity - explain why.

Action: Charity trustees discuss and document reasons for not-applying certain standards and this is regularly reviewed at trustee meetings.

Evidence: Relevant Meeting Minutes.

SAMPLE

Charities Governance Code Compliance Record Form - SAMPLE

Principle 1: Advancing charitable purpose **CORE STANDARDS**

1.1 Be clear about the purpose of your charity and be able to explain this in simple terms to anyone who asks.

Actions our charity takes to meet standards:	Evidence of our actions:
All charity trustees read the Charities Regulator's guidance on 'What is a Charity' as well as our charity's Governing Document.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Each charity trustee has been provided with the most recent copy of the charity's governing document, understands it and refers to it as necessary.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Charity's main object (as per the governing document) is included at the top of every board agenda and our governing document is available for reference at board meetings.	Secretary's copy of the Board papers for each meeting held in [2020].
Our charitable purpose and objectives are clearly stated in [the Annual Report, Website, etc...]	Website/ Facebook page [enter as appropriate]. Annual Report

1.2 Consider whether or not any private benefit arises ([see glossary](#)). If a private benefit arises, consider if it is reasonable, necessary and ancillary to the public benefit that your charity provides.

Actions our charity takes to meet standards:	Evidence of our actions:
Charity trustees had a meeting to discuss what private benefit, if any, arises and agreed it is necessary, reasonable and ancillary to the public benefit. For example: Charity trustees agreed that employees' pay and conditions are reasonable and are in line with the relevant benchmark salary scales. Charity trustees understand expenses that can be claimed and they are in line with the public service rates.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> State benchmark salary scales used. Travel and subsistence expenses for charity trustees are in line with Civil Service Rates as per Revenue Guidelines regarding voluntary work: https://www.revenue.ie/en/employing-people/employee-expenses/travel-and-subsistence/civil-service-rates.aspx

Charities Governance Code Compliance Record Form - SAMPLE

1.3 Agree an achievable plan for at least the next year that sets out what you will do to advance your purpose.

Actions our charity takes to meet standards:	Evidence of our actions:
Our planned activities and budget for the next year has been agreed and documented (see the Charities Regulator's 'Guidance Note on Planning' , 'Annual plan template' and 'Annual budget template').	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Annual plan and budget for the year ended [Insert Date] <i>Note: For very small charities a separate documented plan may not be required. However, you should discuss and agree your plans and the resources required. This should be recorded in board meeting minutes.</i>

1.4 Make sure your charity has the resources it needs to do the activities you plan. If you don't have the resources, you need to show a plan for getting those resources.

Actions our charity takes to meet standards:	Evidence of our actions:
Charity trustees review resources (financial and non-financial) at board meetings.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Charity trustees discuss and agree how to maintain/increase resources including any fundraising activities.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Charity trustees review the annual plan and track progress at board meetings.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

1.5 From time to time, review what you are doing to make sure you are still:

- acting in line with your charity's purpose; and
- providing public benefit.

Actions our charity takes to meet standards:	Evidence of our actions:
Our activities and governing document are regularly reviewed to ensure we continue to act in line with our charitable purpose and provide public benefit	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> The date of the last review/ update [Insert Date]

Charities Governance Code Compliance Record Form - SAMPLE

Principle 1: Advancing charitable purpose **ADDITIONAL STANDARDS**

1.6 Develop your charity's strategic plan and associated operational plans.

Actions our charity takes to meet standards:	Evidence of our actions:
Our strategic plan incorporating clear targets and outcomes has been developed and approved by the charity trustees every three years.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Strategic plan for the years [20XX – 20XX]
Our strategic plan is supported by operational plans and budgets, as well as defined key performance indicators.	List all your operational plans <i>For example:</i> <i>Staffing and Resource Plan, Fundraising Plan, etc.</i>

1.7 Make sure there is an appropriate system in place to:

- monitor progress against your plans; and
- evaluate the effectiveness of the work of your charity.

Actions our charity takes to meet standards:	Evidence of our actions:
Strategic plans are included in board agendas. Charity Trustees review progress against targets set out in the strategic plan, on a regular basis.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Annual report on monitoring and evaluation for the year [2020]
Regular updates and reports presented to charity trustees.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Operational progress reports Management accounts Strategy implementation status report Annual Budgets, etc.
Charity trustees regularly review the sustainability of our income sources in the short, medium and long term and identifies diversified income streams	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
We identify and map our activities against our organisational purpose and the needs of our beneficiaries to ensure they are consistent.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

Charities Governance Code Compliance Record Form - SAMPLE

1.8 From time to time, consider the advantages and disadvantages of working in partnership with other charities, including merging or dissolving (winding up).

Actions our charity takes to meet standards:

Evidence of our actions:

Charity trustees consider the extent to which our organisation works in partnership with other organisations.

Minutes of Meeting dated [Insert Date]
(List all relevant minutes)
Written partnership agreement (if relevant)

SAMPLE

Charities Governance Code Compliance Record Form - SAMPLE

Principle 2: Behaving with Integrity **CORE STANDARDS**

2.1 Agree the basic values that matter to your charity and publicise these, so that everyone involved understands the way things should be done and how everyone is expected to behave.

Actions our charity takes to meet standards:	Evidence of our actions:
Charity trustees discuss and agree the basic values that matter to our charity.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes).</i> Vision, mission and values statement. <i>Examples of values include: a commitment to excellent service, innovation, diversity, creativity, honesty and integrity, etc.</i>
We periodically revisit our vision, mission and values to ensure that they are still relevant and work well.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes).</i>
Codes of conduct for charity trustees, employees and volunteers are agreed and documented. (see the Charities Regulator's guidance on ' Code of Conduct for Charity Trustees ', ' Code of Conduct for Employees ', ' Code of Conduct for Volunteers ')	[Charity Name] Code of Conduct for Charity Trustees [Charity Name] Code of Conduct for Employees [Charity Name] Code of Conduct for Volunteers

Charities Governance Code Compliance Record Form - SAMPLE

2.2 Decide how you will deal with conflicts of interests and conflicts of loyalties. You should also decide how you will adhere to the Charities Regulator’s guidelines on this topic.

Actions our charity takes to meet standards:	Evidence of our actions:
Conflict of Interest policy is agreed and documented in line with the Charities Regulator’s Guidance on ‘Managing Conflicts of Interest’, Appendix A – Conflict of Interest Policy, Appendix B – Template of Register of interests	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> [Charity Name] Conflicts of Interest Policy
Register of Interests is maintained and regularly updated.	Up-to-date Register of interests.
Conflicts of interest is a standing item on the agenda, with any declared conflicts of interest included in the minutes.	Chair reminds charity trustees to declare any conflict of interest in each board meeting (see first agenda item).
Conflicts are identified and managed as they arise in accordance with our Conflicts of Interest Policy.	Minutes of Meeting dated [Insert Date] <i>(Note: Minutes of meetings where identified conflicts were discussed, and how they would be managed was agreed, in accordance with the policy)</i>

2.3 Have a code of conduct for your board that is signed by all charity trustees. It must make clear the standard of behaviour expected from charity trustees. This includes things like maintaining confidentiality and what to do in relation to:

- gifts and hospitality; and
- out-of-pocket expenses.

Actions our charity takes to meet standards:	Evidence of our actions:
A Code of Conduct for Charity Trustees agreed and documented in line with the Charities Regulator’s guidance on ‘Code of Conduct for Charity Trustees’.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Each charity trustee formally signs up and adheres to the Code of Conduct.	Signed Codes of Conduct for all Charity Trustees

Charities Governance Code Compliance Record Form - SAMPLE

Principle 3: Leading People **CORE STANDARDS**

3.1 Be clear about the roles of everyone working in and for your charity, both on a voluntary and paid-basis.

Actions our charity takes to meet standards:	Evidence of our actions:
Board roles and responsibilities for the charity are discussed, agreed and documented.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Approved board roles and responsibilities
Charity trustees understand their legal duties and responsibilities. (see the Charities Regulator's guidance on 'Legal duties of charity trustees')	Charity trustee induction programme Training programme for charity trustees Attendance at relevant conferences/ networking events.
Key officers such as the Chairperson and Secretary have specific functions assigned to them, which are clearly documented and understood. (see the Charities Regulator's guidance on 'The Role of the Chairperson' and 'The Role of the Secretary')	Approved board roles and responsibilities
Key staff/ volunteer roles and responsibilities are discussed, agreed and documented.	Approved key roles for staff/ volunteers

3.2 Make sure there are arrangements in place for the effective involvement of any volunteers, including what to do if any problems arise.

Actions our charity takes to meet standards:	Evidence of our actions:
Induction procedures for volunteers are agreed and documented.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Volunteer induction procedures
Charity trustees discussed and agreed who will act as the point of contact/supervisor for volunteers.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
We hold a meeting of volunteers once or twice a year, where their contribution to our charity is recognised and where any issues can be raised.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

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3.3 Make sure there are arrangements in place that comply with employment legislation for all paid staff including:

- recruitment;
- training and development;
- support, supervision and appraisal;
- remuneration (money paid for work); and dismissal.

Actions our charity takes to meet standards:	Evidence of our actions:
Induction procedures for employees are agreed by the board of charity trustees.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Employee induction process
Charity trustees discussed, agreed and documented employment policies and procedures. Charity trustees seek legal advice from external HR consultants where necessary.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Current Employment Policies <i>(Note: list all your policies and procedures e.g. recruitment policy, induction procedures, attendance policy, grievance and disciplinary procedures, supervision and appraisal procedures, etc.)</i> Details of external HR consultants (if applicable) <i>List any other employment-related documents</i>
Staff meetings are held once or twice a year where their contribution to our charity is recognised and where any issues can be raised.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
The Charity is registered as an employer with Revenue Commissioners.	Tax registration
Staff appraisals and evaluations are carried out on a regular basis.	Staff appraisal/ evaluation forms.

3.4 Agree operational policies where necessary, to guide the actions of everyone involved in your charity.

Actions our charity takes to meet standards:	Evidence of our actions:
Discuss and agree the operational policies covering key aspects of the charity's operations. (See the Charities Regulator's 'General note on other legal and regulatory requirements')	Minutes of Meeting dated [Insert Date]. <i>(List all relevant minutes)</i> Current operational policies <i>(Note: list all operational policies applicable to your charity e.g. travel and subsistence policy, recruitment policy, child and vulnerable adult protection; health and safety; complaints and grievance procedures (internal and external); data protection; stakeholder communications; risk management; conflicts of interest; etc.)</i>
Review and update existing policies as necessary.	Minutes of Meeting dated [Insert Date]. <i>(List all relevant minutes)</i>

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Principle 3: Leading People **ADDITIONAL STANDARDS**

3.5 Make sure to document the roles, legal duties and delegated responsibility for decision-making of:

- individual charity trustees and the board as a whole;
- any sub-committees or working groups;
- staff and volunteers.

Actions our charity takes to meet standards:	Evidence of our actions:
We ensure that key staff/volunteers understand their responsibilities and lines of authority, communication and reporting with the board of charity trustees. Their roles and responsibilities discussed, agreed and documented.	Approved Organisation Chart A full suite of role profiles for trustees, staff and volunteers.
Charity trustees understand their legal duties and responsibilities.	Charity trustee induction programme Training programme for charity trustees Attendance at relevant conferences/ networking events.
We update the terms of reference for the board and each of its sub-committees to make it explicit where monitoring lies within the organisation.	Terms of references for the board and any sub-committees

3.6 Make sure that there are written procedures in place which set out how volunteers are:

- **recruited; supported and supervised while within your charity; and**
- **the conditions under which they exist.**

Actions our charity takes to meet standards:	Evidence of our actions:
Written volunteer recruitment policy is in place and all volunteers are properly trained, supported and supervised in line with our policies and procedures.	[Charity Name] Volunteer recruitment policy [Charity Name] Volunteer Induction Programme

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3.7 Decide how you will develop operational policy in your charity. You also need to decide how your charity trustees will make sure that the policy is put in place and kept up-to-date.

Actions our charity takes to meet standards:	Evidence of our actions:
<p>We ensure that new employees/ volunteers/ contactors are trained and familiar with our policies and procedures, and that existing staff receive appropriate training.</p> <p>Policies and procedures are discussed regularly at team meetings to ensure that employees/ volunteers remain aware of the importance of the policies and procedures.</p> <p>All our policies and procedures are in a single manual, and copies readily available to all employees/ volunteers.</p> <p>All supervisors/ managers/ trustees must 'lead by example' in implementing policies and procedures. It is crucial that our expectations are demonstrated through modelling and leadership at all levels of management.</p> <p>Policies and procedures are reviewed periodically.</p>	<p>Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i></p> <p>Records of training and induction.</p> <p>Schedule and agenda for team/ staff/ volunteer meetings.</p> <p>Internal policies/ Procedures manual</p>

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Principle 4: Exercising Control **CORE STANDARDS**

4.1 Decide if your charity's current legal form and governing document are fit for purpose. Make changes if necessary, telling the Charities Regulator in advance that you are doing so.

Actions our charity takes to meet standards:	Evidence of our actions:
Our governing document is regularly revisited to ensure current activities fall within the defined objectives and the charity's purpose remains relevant and valid.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Charity trustees are satisfied that our current legal form and governing document are best suited taking into account our charitable purpose, planned activities and how we propose to fund this activities.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Charity trustees regularly review our legal structure and any changes to the charities legal form and governing document are communicated to the Charities Regulator in advance. (see the Charities Regulator's 'Guidance on winding up a charity')	Minutes of Meeting dated [Insert Date] <i>(set out any other relevant correspondence and documentation such as correspondence with the Charities Regulator, details of assets to be transferred, updated constitution, etc.)</i>

4.2 Find out the laws and regulatory requirements that are relevant to your charity and comply with them.

Actions our charity takes to meet standards:	Evidence of our actions:
The charity trustees understand the legal and regulatory framework for our charity and are satisfied that our charity meets its legal, regulatory and contractual obligations and any constitutional requirements (see Charities Regulator's 'General note on 'other' Legal and Regulatory requirements') .	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> (List laws and regulations applicable to your charity e.g. Charities Act; Companies Act; Revenue Commissioners; GDPR; Garda Vetting; Employment Law; compliance requirements set out by Tusla, HSE, Pobal; etc.) Registration with appropriate bodies (e.g. The Charities Regulator, Revenue Commissioners) See relevant filings, for example annual reports, financial statements, tax filings and the Register of Charities

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4.3 If your charity raises funds from the public, read the Charities Regulator’s guidelines¹ on this topic and make sure that your charity adheres to them as they apply to your charity.

Actions our charity takes to meet standards:	Evidence of our actions:
The Charities Regulator’s ‘Guidelines for Charitable Organisations on Fundraising from the Public’ have been discussed and considered by the board of Charity Trustees. The board of charity trustees is committed to complying with the principles set out in the Guidelines.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Fundraising Policy/ Procedures
The board of charity trustees regularly monitors compliance with the fundraising guidelines.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Our fundraising staff/ volunteers are provided with appropriate training and support.	Details of training and support provided to staff and/ or volunteers

4.4 Make sure you have appropriate financial controls in place to manage and account for your charity’s money and other assets.

Actions our charity takes to meet standards:	Evidence of our actions:
We agreed and implemented internal financial controls for income, expenditure, banking, assets and investments in line with the the Charities Regulator’s ‘Internal Financial Controls Guidelines’ .	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Documented financial policies and procedures
Financial controls are regularly reviewed and monitored.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Financial review conducted on a regular basis at board meetings.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Any internal control flaws and unusual transactions reviewed and discussed at board meetings.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

¹ See Guidelines for Charitable Organisations on Fundraising from the Public - available from: <https://www.charitiesregulator.ie/media/1265/guidance-for-fundraising-english.pdf>

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4.5 Identify any risks your charity might face and how to manage these.

Actions our charity takes to meet standards:	Evidence of our actions:
Specific risks are identified and analysed in terms of likely occurrence and severity of impact in line with the Charities Regulator's 'Guidelines on Risk Management for charities'	Minutes of Meeting dated [Insert Date] (List all relevant minutes)

4.6 Make sure your charity has appropriate and adequate insurance cover.

Actions our charity takes to meet standards:	Evidence of our actions:
The charity has appropriate and adequate insurance cover. <i>For example:</i> <i>The organisation has adequate insurance- public liability, employers' liability etc.</i>	Minutes of Meeting dated [Insert Date] (List all relevant minutes) Insurance Policy.
We use the timetable of key dates at each board meeting to confirm when insurance is due and that it is in place.	Minutes of Meeting dated [Insert Date] (List all relevant minutes) Date schedule
Each policy is reviewed annually before renewal to ensure organisation is complying with the terms of the insurance contract.	Minutes of Meeting dated [Insert Date] (List all relevant minutes) Next renewal date [Insert Date]

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Principle 4: Exercising Control **ADDITIONAL STANDARDS**

4.7 You should have written procedures to make sure that you comply with all relevant legal and regulatory requirements.

Actions our charity takes to meet standards:	Evidence of our actions:
We create and regularly review our policies and procedures which may include: <ul style="list-style-type: none"> • Data protection • Finance • Fundraising • Health and Safety • HR and Employment • Insurance • Record Keeping • Safeguarding 	List of relevant policies and procedures.
We ensure that all agreements and contracts are regularly reviewed and kept securely, and contractors are properly supervised and managed, to protect our organisation's interests.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

4.8 Make sure there is a formal risk register that your board regularly reviews.

Actions our charity takes to meet standards:	Evidence of our actions:
Risk register maintained and regularly reviewed in the light of changing circumstances and influences. (see the Charities Regulator's Risk Register Template)	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Risk Register
Risk Management policy is in place and a risk register is updated on a regular basis and monitored by the board.	Risk Management Policy.

4.9 Consider adopting additional good practice standards that are relevant to the particular work that your charity does.

Actions our charity takes to meet standards:	Evidence of our actions:
We are fully compliant with the Charities SORP.	Financial Statements

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Principle 5: Working Effectively **CORE STANDARDS**

- 5.1 Identify charity trustees with the necessary skills to undertake:**
- any designated roles set out in your governing document; and
 - other roles as appropriate within the board.

Actions our charity takes to meet standards:	Evidence of our actions:
Existing range of skills and experience of charity trustees is considered regularly with any significant gaps identified and filled (see the Charities Regulator's 'Guidance on Succession Planning').	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Succession plan
Charity trustee roles and responsibilities discussed, agreed and documented.	Approved key roles for volunteers
Job descriptions for new posts are developed and advertised widely and openly.	Existing job descriptions/ advertised posts

- 5.2 Hold regular board meetings. Give enough notice before meetings and provide prepared agendas.**

Actions our charity takes to meet standards:	Evidence of our actions:
Board Meetings are held every [five] weeks.	Minutes of Meeting dated [Insert Date]. <i>(List all relevant minutes)</i> Board meetings/ AGM timetable
Meeting notices, agendas and other relevant papers are provided to the board members by the secretary at least five days in advance of meetings (see the Charities Regulator's guidance on 'The role of the Secretary of a charity' and 'The role of the Chairperson of a charity').	Secretary's copy of the Board papers for each meeting held in [Insert Year]
Meetings are called and run in accordance with the governing document and, if relevant, company law.	Secretary's copy of the Board papers for each meeting held in [Insert Year]

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5.3 At a minimum, your board agendas should always include these items:

- reporting on activities;
- review of finances; and
- conflicts of interests and loyalties.

Actions our charity takes to meet standards:	Evidence of our actions:
The following items are always on our board agendas: <ul style="list-style-type: none"> • reporting on activities • review of finances • conflicts of interests and loyalties (See the Charities Regulator’s guidance on ‘Guidance note on minute taking’)	Minutes of meetings and records of decisions
Minutes are taken of board meetings and all other formal decisions of the board are properly recorded.	Minutes of meetings and records of decisions
Consistent minutes of meetings are kept that record attendance, decisions and actions (see ‘Appendix A – Explanatory sample board minutes’ and ‘Appendix B – Board Minutes Template’).	Minutes of meetings and records of decisions

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5.4 Make sure that your charity trustees have the facts to make informed decisions at board meetings and that these decisions are recorded accurately in the minutes.

Actions our charity takes to meet standards:	Evidence of our actions:
Regular and clear reports are received on the charity's activities and finances.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> <i>(List various reports provided to charity trustees e.g. management accounts, etc.)</i>
Board papers provide the level of detail that is necessary for the board to understand the impact of the charity's current position, and to make sound decisions.	Secretary's copy of the Board papers for each meeting held in [20XX]

5.5 Consider introducing term limits for your charity trustees, with a suggested maximum of nine years in total.

Actions our charity takes to meet standards:	Evidence of our actions:
Our governing document has specific reference to terms of office (recommended no more than 9 years)	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Governing Document
Length of service of board members and any requirements for meeting attendance is in line with the governing document. Terms of office for board members are staggered.	List of board members with appointment dates and due retirement dates is maintained
Charity trustees are appointed, resign, or retire according to our governing document and we keep appropriate records regarding trustees with details of when their term is up and if they are eligible for re-appointment.	List of board members with appointment dates and due retirement dates

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5.6 Recruit suitable new charity trustees as necessary and make sure they receive an induction.

Actions our charity takes to meet standards:	Evidence of our actions:
Existing range of skills and experience is considered regularly with any significant gaps identified and filled as necessary (see the Charities Regulator's 'Guidance on succession planning')	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Copy of adverts seeking persons with specific experience to serve as charity trustees
Recruitment and induction process agreed and documented (see the Charities Regulator's 'Guidance on Induction and Recruitment of prospective charity trustees').	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Recruitment Policy/ Procedures Induction pack (see 'Board induction checklist')
Potential charity trustees are aware of the time commitment of the role from the outset.	Induction Programme
Board induction and training takes place for all board members.	Induction programme
Recruitment and selection process discussed and documented.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Recruitment policy/ procedures
Due diligence carried out on all prospective charity trustees.	Recruitment policy/ procedures

5.7 Make sure all of your trustees understand:

- their role as charity trustees;
- the charity's governing document; and
- this Code.

Actions our charity takes to meet standards:	Evidence of our actions:
Our governing document is regularly revisited to ensure that the board of charity trustees is aware of the specific powers laid down in our constitution.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Key role descriptions for charity trustees are understood and documented	Approved key roles and responsibilities
All charity trustees read and discussed the Charities Governance Code at a meeting of the charity's Board	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

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5.8 Commit to resolving problems and emerging issues as quickly as possible and in the best interests of your charity.

Actions our charity takes to meet standards:	Evidence of our actions:
Any problems are brought to the attention of the board and any actions and resolutions are agreed and documented. Unscheduled meetings are held where necessary.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
We ensure that enough time is allocated for discussion. We ensure that all meetings are quorate i.e. the required minimum number of charity trustees for the meeting to go ahead are present, and our governing document sets out rules for making decisions in an emergency or when meetings are not quorate. Our chair has support, training and access to advice.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>
Key issues are escalated to the board for decision and it is clear where decision-making lies for each area of the charity's activities/business.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> A scheme of delegation
A regular review of key issues and areas of interest to the board is undertaken.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

5.9 From time to time, review how your Board operates and make any necessary improvements.

Actions our charity takes to meet standards:	Evidence of our actions:
Annual board appraisal is carried out to address key areas of working.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Board appraisal forms
Particular areas for annual review are discussed and agreed. Future improvements considered and agreed.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i>

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Board performance is reviewed on a regular basis and includes an audit of skills, knowledge and experience of the board as a whole, the chair, individual board members, sub-committees, training and recruitment plans.

Board performance review forms.

SAMPLE

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Principle 5: Working Effectively **ADDITIONAL STANDARDS**

5.10 Make sure you send out board packs with enough notice and include all relevant reports and explanatory papers to enable informed decision-making.

Actions our charity takes to meet standards:	Evidence of our actions:
Decision-making processes are clearly documented, approved and communicated	Secretary's copy of the Board papers for each meeting held in [20XX]
Regular and clear reports are received on the charity's current financial position and its future sustainability.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> <i>(List various reports provided to charity trustees e.g. management accounts, etc.)</i>
Charity trustees receive regular information regarding our organisation's activities, assets and resources, and progress against targets.	Secretary's copy of the Board papers for each meeting held in [2020]

5.11 Make sure that you have a charity trustee succession plan in place and consider how you can maximise diversity among your charity trustees.

Actions our charity takes to meet standards:	Evidence of our actions:
Our governing document details a transparent system for both the recruitment and removal of trustees, with fixed terms of office and an effective and manageable board size. Our trustees are appointed, resign or retire according to our governing document and we keep appropriate records of trustees with details of when their term is up and if they are eligible to stand again.	Succession plan List of all trustees' names and addresses, when they came into office and when they resign. Up to date register of members and directors Charities Regulator is informed of any changes to our directors/ trustees
Our recruitment process is formal, rigorous and transparent, and based on merit and objective criteria to ensure a diverse pool of candidates.	Recruitment Policy
The adverts are open long enough to attract the right people, using multiple channels and tailored marketing, thinking about whether any of your requirements could prevent certain individuals from applying.	Recruitment Policy Copy of recruitment adverts for specific roles
The board have also added diversity to their risk register to ensure it remains a priority.	Risk Register

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5.12 Put in place a comprehensive induction programme for new charity trustees.

Actions our charity takes to meet standards:	Evidence of our actions:
New trustees receive a full induction, which includes a copy of our governing document and the Charities Governance Code. They understand their roles and responsibilities, and if possible are linked with an existing trustee to act as a mentor.	Induction Programme for charity trustees
Board induction and training takes place for all board members	Induction Programme for charity trustees

5.13 Conduct a regular review that includes an assessment of:

- the effectiveness of your board as a whole, office holders and individual charity trustees
- adherence to the board code of conduct; and
- the structure, size, membership and terms of reference of any sub-committees.

Actions our charity takes to meet standards:	Evidence of our actions:
Board appraisals and evaluations are carried out on a regular basis (at least once every 12 months). This can be through peer assessment. Open to assessment and feedback from members (if applicable) and other stakeholders e.g. funders, beneficiaries, staff	Board appraisal/ evaluation forms Member/Stakeholder feedback
The board's terms of reference reflect good practice, are documented and available to members and stakeholders. The board is an appropriate size to be effective and support delivery of outcomes (recommended not more than 12 members). A skills matrix is maintained so gaps can be identified and addressed.	Board terms of reference Board skills matrix

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5.14 Do regular skills audits and provide appropriate training and development to charity trustees and staff. If necessary, recruit to fill any competency gaps on the board of your charity.

Actions our charity takes to meet standards:	Evidence of our actions:
Our performance and the composition and skills of the board is reviewed on a regular basis.	Annual board review which includes an audit of the skills, knowledge and experience of our board as a whole, the chair, individual board members, committees, training and recruitment plans.
Our capacity and capability is developed and improved with ongoing support and training	Continually working to develop our board through access to training opportunities and regular board away days which offer us an opportunity to work together as a team, identify board objectives and consider our strategic plan.
Staff appraisals and evaluations were carried out on a regular basis (at least every 6 months)	Staff appraisal/ evaluation forms
Skills audit is also used to assess the skills and expertise of the board, to identify any gaps and ensure the board 'make best use of the brilliant people around the table.'	Annual board review
An internal board review is in place.	Internal board review

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Principle 6: Being Accountable **CORE STANDARDS**

6.1 Make sure that the name and Registered Charity Number (RCN) of your charity is displayed on all of your written materials, including your:

- **website;**
- **social media platforms; and**
- **email communications.**

Actions our charity takes to meet standards:	Evidence of our actions:
Our charity name and Registered Charity Number as entered on the Register of Charities are clearly displayed on all our written materials including website, social media platforms and email communications. This is monitored by the board of charity trustees on a regular basis.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> See our website/ Facebook page. Sample emails Sample letters

6.2 Identify your stakeholders and decide how you will communicate with them.

Actions our charity takes to meet standards:	Evidence of our actions:
Our communications' procedures are agreed and implemented (see the Charities Regulator's 'Guidance on Charity Communications').	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Communication policy/ documented procedures
We are clear about who our beneficiaries and key stakeholders are.	Accurate and up to date register of members, records of service users, details of funders, etc.
We produce an annual report with details of our organisational purpose, accounts and activities every year, which is widely available and easy to access on our website.	Annual Report Website

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6.3 Decide if and how you will involve your stakeholders in your:

- **planning;**
- **decision-making; and**
- **review processes.**

Actions our charity takes to meet standards:	Evidence of our actions:
We hold an annual meeting with our members (if applicable) in line with our governing document to report on our activities.	AGM minutes
We host or attend relevant seminars/ networking events.	Schedule of events/ attendance sheets

6.4 Make sure you have a procedure for dealing with:

- **queries;**
- **comments; and**
- **complaints.**

Actions our charity takes to meet standards:	Evidence of our actions:
Communications policy agreed, implemented and communicated widely (see the Charities Regulator's 'Guidance on Charity Communications').	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> [Charity Name] Communication policy/ documented procedures.
Complaints and feedback policy/ procedures are agreed, documented and communicated.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> [Charity Name] Complaints policy/ documented procedures. A record of all related feedback

6.5 Follow the reporting requirements of all of your funders and donors, both public and private.

Actions our charity takes to meet standards:	Evidence of our actions:
We discuss specific compliance and reporting requirements set by funders and donors.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Service Level Agreements

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We discuss and agree procedures for reporting and compliance.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> [Charity Name] Communication policy/ documented procedures.
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Principle 6: Being Accountable **ADDITIONAL STANDARDS**

6.6 Produce unabridged (full) financial accounts and make sure that these and your charity's annual report are widely available and easy for everyone to access.

Actions our charity takes to meet standards:	Evidence of our actions:
We produce comprehensive annual report and full financial statements which are publically available from our website.	Website link Annual Report Financial Statements

6.7 Make sure all the codes and standards of practice to which your charity subscribes are publicly stated.

Actions our charity takes to meet standards:	Evidence of our actions:
We state our compliance with Charities SORP and the Charities Governance Code in our annual reports and on our website.	Website link Annual Report Financial Statements

6.8 Regularly review any complaints your charity receives and take action to improve organisational practice.

Actions our charity takes to meet standards:	Evidence of our actions:
Board of charity trustees receives a regular report on the number and type of complaints received.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Reports to the Board of Charity Trustees
We follow the procedure set out in our Complaints Policy. The policy is reviewed and updated on a regular basis.	Minutes of Meeting dated [Insert Date] <i>(List all relevant minutes)</i> Complaints Policy

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Accountant's Resource Center

AML Guidance Manual



OmniPro – Anti Money Laundering Guidance

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THE FOLLOWING GUIDANCE MATERIAL IS BASED ON THE CRIMINAL JUSTICE (MONEY LAUNDERING AND TERRORIST FINANCING) ACT 2010¹ AS REVISED AND UPDATED ON THE 14 NOVEMBER 2018 AND IS OMNIPRO'S INTERPRETATION OF THAT LEGISLATION, IN CONJUNCTION WITH THE REQUIREMENTS OF YOUR SUPERVISORY BODY. IT DOES NOT PURPORT TO GIVE DEFINITIVE PROFESSIONAL ADVICE IN ANY FORM. IT SHOULD, ACCORDINGLY, NOT BE RELIED UPON AS SUCH.

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¹ The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018 (26/2018) that came into effect on the 14 November 2018 states that it may be cited as the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018.

Similar to Companies Act 2014 any amendments made are by “Deletion” and “Insertion” to specific sections of the existing Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010, therefore the principle title of the relevant legislation as primary reference continues to be the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and for the purpose of reference within this guidance document the revised legislation will be referred to as the “2010 Act”

OmniPro – Anti Money Laundering Guidance

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Definitions

2010 Act

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, updated the 26 November 2018 for the 2018 revisions overlaid into the 2010 Act is available at.

<http://revisedacts.lawreform.ie/eli/2010/act/6/revised/en/html>

Accountancy Services

Accountancy services include any service provided under a contract for services (i.e. not a contract of employment) which pertains to the recording, review, analysis, calculation or reporting of financial information.

Accounting Firm or Firm

An *Accounting firm* being a sole practitioner, company, partnership or other organisation undertaking defined services. This includes accountancy practices, whether structured as partnerships, sole practitioners or corporate practices.

Business relationship

A business, professional or commercial relationship between an *accounting firm* and a *client*, which is expected by the accounting firm, at the time when the contact is established, to have an element of duration.

CCAB-I

Consultative Committee of Accountancy Bodies in Ireland - the committee represents the Institute of Chartered Accountants in Ireland; the Association of Chartered Certified Accountants; the Chartered Institute of Management Accountants; and the Institute of Certified Public Accountants in Ireland.

Client

A person in a *business relationship*, or carrying out an occasional *transaction*, with an *accounting firm*.

Criminal Conduct

Conduct that constitutes an offence in Ireland as well as conduct occurring elsewhere that constitutes an offence under the law of that place and would have been an offence if it had taken place in Ireland.

Customer due diligence

The process by which Know Your Client information is gathered and the identity of a *client* is established and verified, for both new and existing *clients*.

Defined services

Activities carried on, in the course of business carried on by *accounting firms* or *individuals* as an auditor, *external accountant*, insolvency practitioner or *tax adviser* or as trust and company service providers. It also includes persons providing financial services under the Investment Business Regulations under the oversight of their professional body.

EEA

European Economic Area countries, which are the European Union member states plus EFTA

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	(European Free Trade Association) member states.
Enhanced due diligence	Additional due diligence steps that must be applied in situations where there is a higher risk of <i>money laundering</i> or <i>terrorist financing</i> in specific situations as described per sections 37, 38 and 59 of the 2010 Act or where the designated person has identified the relationship presents a higher risk
External accountant	Means a person (an accounting firm or sole practitioner) who by way of business provides accountancy services (other than when providing such services to the employer of the person) whether or not the person holds accountancy qualifications or is a member of a designated accountancy body.
External report	A Suspicious Transaction Report (STR) made under the 2010 Act to the Garda Síochána (FIU Ireland) via goAML and the Revenue Commissioners.
FIU Ireland	The Irish State Financial Intelligence Unit who carries out all the functions of an EU Financial Intelligence Unit (FIU) under the Irish Money Laundering legislation and who comprises of members of the Garda Síochána.
Individuals	Includes the partners, directors, subcontractors, consultants and employees of accounting firms.
Internal Report	A Suspicious Transaction Report (STR) made internally by an individual in accordance with procedures established by the accounting firm.
Money laundering offences	<p>As defined in the 2010 Act, as where a person commits a money laundering offence by:</p> <ul style="list-style-type: none">• concealing or disguising the true nature, source, location, disposition, movement or ownership of criminal property, or any rights relating to the property;• converting, transferring, handling, acquiring, possessing or using the criminal property; or• removing the criminal property from, or bringing the property into, the State. <p>Other offences involve money laundering outside the State in certain circumstances, attempts outside the State to commit offences in the State and aiding, abetting, counselling or procuring outside the State commission of offence in the State.</p>
Politically exposed persons (PEPs)	Politically exposed persons, as defined in Section 37 of the 2010 Act.

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Prejudicing an investigation	It involves the making of any disclosure that is likely to prejudice an investigation.
Proceeds of criminal conduct	Any property that is derived from or obtained through criminal conduct, whether directly or indirectly, or in whole or in part.
Professional privilege reporting exemption	An exemption from reporting suspicions formed on the basis of information received under legal privilege while ascertaining the legal position of the client but the exemption is not available where the information is used for furthering a criminal purpose.
Professional Service Provider	Defined in Section 24 of the 2010 Act as an auditor, external accountant, tax adviser, relevant independent legal professional or trust or company service provider.
Required disclosure	The requirement to disclose: <ul style="list-style-type: none">• information on which the knowledge, suspicion or reasonable grounds are based;• the identity, if known, of the person known or suspected to be or have been engaged in an offence of money laundering or terrorist financing;• the whereabouts, if known, of the criminal property; and• any other relevant information.
Senior Management	Defined in Section 24 of the 2010 Act as an officer or employee with sufficient knowledge of the firms money laundering and terrorist financing risk exposure and sufficient seniority to take decisions affecting its risk exposure, and need not, in all cases, be a member of the board of directors.
Simplified due diligence	The phrase used to refer to reduced customer due diligence measures provided for certain categories of clients whom the designated person has identified the relationship as low risk.
Tax adviser	Means a person who by way of business provides advice about the tax affairs of other persons.
Terrorist financing	Means an offence under Section 13 of the <i>2005 Act</i> , which states: “a person is guilty of an offence if, in or outside the State, the person by any means, directly or indirectly, unlawfully and wilfully provides, collects or receives funds intending that they be used or knowing that they will be used, in whole or in part in order to carry out: a) An act constitutes an offence under the law of the State and within the scope of, and as defined in, any treaty that it is listed in the annex to the Terrorist Financing Convention, or

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- b) An act (other than one referred to in paragraph (a):
 - 1) That is intended to cause death or serious bodily injury to a civilian or to any other person not taking an active part in the hostilities in a situation of armed conflict, and
 - 2) The purpose of which is, by its nature or context, to intimidate a population or to compel a government or an international organisation to do, or abstain from doing, any act.

The offence also encompasses providing, collecting or receiving funds whilst knowing or intending that they will be used for the benefit or purposes of a terrorist group or to carry out other *terrorist offences* under Section 6 of the *2005 Act*. Attempting to commit the above offences is also an offence.

Terrorist offences

Section 6 of the *2005 Act* defines *terrorist offences*, incorporating:
terrorist activity (defined as the intention to (i) seriously intimidate a population; (ii) unduly compel a government or an international organisation to perform or abstain from performing an act; or (iii) seriously destabilise or destroy the fundamental political, constitutional, economic or social structures of a state or an international organisation); and
terrorist-linked activity (defined as an act which is committed with a view to engaging in a terrorist activity)

Tipping off

Has the meaning as described in Section 49 of the Act See “*prejudicing an investigation*” for a basic principle of the term.

Fourth money laundering directive

References in this *Guidance* to the “*Fourth Money Laundering Directive*” are to DIRECTIVE (EU) 2015/849 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 20 May 2015 on the prevention of the use of the financial system for the purpose of *money laundering* and *terrorist financing*. It is available from: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2015_141_R_0003&from=ES

OmniPro – Anti Money Laundering Guidance

1. What is Money Laundering in Ireland?

A summary of Offences under the Act

The primary money laundering offences are defined by *The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (the “2010 Act”)*, as amended by *The Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018*.

In summary terms it states an individual commits a money laundering offence, inside or outside the State, if they engage in any of the following acts in relation to property that is the proceeds of criminal conduct:

- concealing or disguising the true nature, source, location, disposition, movement or ownership of criminal property, or any rights relating to the property;
- converting, transferring, handling, acquiring, possessing or using the criminal property; or
- removing the criminal property from, or bringing the property into, the State; and
- that person knows or believes (or is reckless as to whether or not) the property is the proceeds of criminal conduct.

Other offences involve money laundering outside Ireland in certain circumstances, attempts outside Ireland to commit offences in Ireland and aiding, abetting, counselling or procuring outside Ireland commission of offence in Ireland (i.e. There is no need for the proceeds to pass through Ireland).

In simple terms there are three broad groups of offences related to money laundering that firms need to avoid committing. These are:

- knowingly assisting (in a number of specified ways) in concealing, or entering into arrangements for the acquisition, use, and/or possession of, criminal property;
- failing to report knowledge, suspicion, or where there are reasonable grounds for knowing or suspecting, that another person is engaged in money laundering; and
- tipping off, or prejudicing an investigation.

Any of these offences is punishable by up to 14 years’ imprisonment and/or a fine not exceeding €5,000.

It is also a separate offence under the 2010 Act not to establish adequate and appropriate policies and procedures in place to forestall and prevent money laundering (regardless of whether or not money laundering actually takes place) which can be punishable by up to 5 years and/or a fine.

What is the Proceeds of Crime and Money Laundering Activity

Criminal property by extension of the interpretation of “proceeds of criminal conduct” may take (but not exclusively) all real or personal property such as the following forms:

- Money or Money’s worth;
- Securities, legal documents or instruments in any form including electronic or digital; and
- Tangible or intangible property.

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1. What is Money Laundering in Ireland? *(continued)*

Money laundering can involve the proceeds of offending in Ireland but also of conduct overseas that would have been an offence had it taken place in the Ireland. For the purposes of this guidance money laundering also includes terrorist financing. There are no materiality or de minimis exceptions to money laundering or terrorist financing offences.

Money laundering activity can include:

- A single act (for example, possessing the proceeds of one's own crime);
- Complex and sophisticated schemes involving multiple parties;
- Multiple methods of handling and transferring criminal property; or
- Concealing criminal property or entering into arrangements to assist others to conceal criminal property.

A summary of the requirements of an Accountancy Firm

The 2010 Act imposes criminal liability on certain individuals in firms subject to the money laundering regulations. Where the firm is a body corporate, an officer of that body corporate (i.e. a director, manager, secretary, chief executive, member of the committee of management, or a person purporting to act in such a capacity), who consents or connives in the commission of an offence by the firm, or where that offence (by the firm) is attributable to the lack of supervision or control on his part, himself commits a criminal offence and may be prosecuted. Similarly, where the firm is a partnership, a partner who consents to or connives in the commission of offences under the money laundering regulations, or where the commission of any such offence is attributable to any neglect on his part, will be individually liable to be prosecuted for the offence. A similar rule applies to officers of unincorporated associations.

Accountancy firms need to be alert in the work they do the risks posed by:

- Clients;
- Suppliers;
- Employees; and
- The customers, suppliers, employees and associates of clients.

Neither the business nor its client needs to have been party to money laundering for a reporting obligation to arise (see Section five of this guidance).

For the purposes of 2010 Act an Offence is not deemed to have been committed if:

- The persons involved did not know or suspect that they were dealing with the proceeds of crime; or
- A report of the suspicious money laundering activity is made promptly to:
 - A Money Laundering Reporting Officer (MLRO) (i.e. an internal Suspicious Transaction Report (STR)); or
 - An Garda Síochána as the FIU Ireland via goAML under the provisions of Section 42 of the 2010 Act (as an external STR) and the STR is made before the offence takes place so that the necessary consent to proceed (referred to as a defence against money laundering by the 2010 Act) is obtained beforehand; or
- There is a reasonable excuse for not reporting the suspicious money laundering activity because there is a risk to the personal safety or security of the persons of the designated person obligated to report.

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2. Responsibility and Oversight within a Professional Service Provider for Money Laundering

What are the responsibilities of Designated Persons?

Professional service providers as defined by the act can be an auditor, external accountant, tax adviser, relevant independent legal professional² or trust or company service provider and all fall within the meaning of “Designated Person” as detailed in Section 25 of the 2010 Act.

Under the amended 2010 Act designated persons are required to have:

- Systems and controls capable of:
 - assessing the risk associated with a client;
 - performing Customer Due Diligence;
 - monitoring existing clients;
 - keeping appropriate records; and
 - enabling staff to make an internal Suspicious Transaction Report (STR) (i.e. to their MLRO).
- Ongoing training of all principals, directors and staff so that they understand both their own personal AML obligations and the business-wide systems and controls developed for the identification of money laundering and terrorist financing and related activities (section 54(6)(b)).
- Effective internal risk management systems and controls must be established and the relevant *senior management* responsibilities clearly defined.

Section 54(7) of the 2010 Act stipulates a designated person shall appoint an individual at management level to be a “Compliance Officer” for the purpose of monitoring and managing compliance of the internal policies, controls and procedures adopted by the business. Likewise, Section 54(8) states a member of senior management is appointed primary responsibility for implementation and management of the 2010 Act requirements.

Depending on the size, complexity and structure of a business, these two roles may be combined in a single individual provided that person has sufficient seniority, authority, governance responsibility, time, capacity and resources to do both roles properly. This guidance primarily describes the situation in which one individual fulfils the combined role, referred to in this guidance as the Money Laundering Reporting Officer (MLRO). The role of the MLRO is not defined in legislation but has traditionally included responsibility for internal controls and risk management around money laundering and terrorist financing, in accordance with sectoral guidance. Businesses with an MLRO should periodically review the MLRO’s brief to ensure that:

- it reflects current law, regulation, guidance, best practice and the experience of the business in relation to the effective management of money laundering and terrorist financing risk; and
- the MLRO has the seniority, authority, governance responsibility, time, capacity and resources to fulfil the brief.

² A relevant independent legal professional, includes, in the case of the provision of services by a barrister, a person who is a client of a solicitor seeking advice from the barrister for or on behalf of the client and does not, in that case, include the solicitor,

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2. Responsibility and Oversight within a Professional Service Provider for Money Laundering (*continued*)

Where the MLRO role as described above is split to meet the individual obligations of Section 54(7) and 54(8) of the 2010 Act into two or more individuals, the allocation of the duties should be clear to the individuals assigned the duties and those in governance of the organisation with ultimate responsibility for compliance with anti-money laundering legislation. Depending on the size, complexity and structure of the firm, management may use this as the basis of how to assign duties between the two or more individuals, however persons allocated responsibility should have appropriate knowledge understanding and expertise around money laundering requirements.

If a designated person fails to meet its obligations under the 2010 Act, civil penalties or criminal sanctions can be imposed on the designated persons and any individuals deemed responsible. This could include anyone in a senior position who neglected their own responsibilities or agreed to something that resulted in the compliance failure.

How should sole practitioners implement these requirements?

As it would not be appropriate to the size and nature of the business, a sole practitioner who has no relevant employees as directed by Section 54(12) of the 2010 Act need not:

- appoint a board member to be responsible for the business' compliance with the Irish anti-money laundering regime, as the sole practitioner will be held responsible;
- appoint a nominated officer because the sole practitioner will be responsible for submitting external reports to An Garda Siochana via the goAML platform;
- establish an independent audit function for AML policies, controls and procedures.

What are the responsibilities of Senior Management/MLRO?

The 2010 Act defines *senior management* as: an officer or employee (and need not, in all cases, be a member of the board of directors) with sufficient knowledge of the business's money laundering and terrorist financing risk exposure and sufficient seniority to take decisions affecting its risk exposure.

Whilst the legislation does not state that a firm must appoint a Money Laundering Reporting Officer (MLRO) it is probably easier that it does so, this will allow one person to have ownership of the area.

This person should be a senior member of staff (hence the legislation reference to senior management) and it is suggested that this is either a partner or senior manager, however it may be a staff member with sufficient knowledge and understanding of the money laundering obligations under the legislation Section 54(10). This person must be fully supported by the partners within the firm, for example relevant resources must be provided to ensure that the MLRO is in a position to ensure that appropriate procedures are implemented within the firm, including training.

The 2010 Act stipulates that the approval of *Senior Management / MLRO* must be obtained:

- For a business risk assessment (Section 30A(5))
- For the policies, controls and procedures adopted by the business (Section 54(4));
- Before entering into or continuing a business relationship with a Politically Exposed Person (PEP), a family member of a PEP or a known close associate of a PEP (Section 37(4)(a)).

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2. Responsibility and Oversight within a Professional Service Provider for Money Laundering *(continued)*

As directed by section 54(6)(b) of the legislation designated persons are required to ensure staff are provided with ongoing training in relation to AML however for the *Senior Management / MLRO* must receive regular CPD appropriate to their role to thereby be able to fulfil the obligations set by the designated persons in ensuring compliance be the firm for AML.

The obligations of the Senior management/MLRO of the firm in addition to (b) above include:

- a. Responsibility to ensure that the firm's policies, controls and procedures are appropriately designed and implemented, and are effectively operated to reduce the risk of the firm being used in connection with money laundering or terrorist financing and ensure compliance. Section 54(3) states those policies, controls and procedures shall include:
 - i. The identification, assessment, mitigation and management of risk factors relating to money laundering or terrorist financing,
 - ii. Customer due diligence (CDD) measures,
 - iii. Monitoring transactions and business relationships,
 - iv. The identification and scrutiny of complex or large transactions, (unusual patterns of transactions or other activity that may be related to money laundering or terrorist financing,
 - v. Measures to be taken to prevent the use for money laundering or terrorist financing of transactions or products that could favour or facilitate anonymity,
 - vi. Measures to be taken to prevent the risk of money laundering or terrorist financing which may arise from technological developments, new products or new practices,
 - vii. Reporting (including the reporting of suspicious transactions (STRs) both to receive internal STRs and make external STRs to an Garda Síochána,
 - viii. Record keeping,
 - ix. Measures to be taken to keep documents and information relating to the customers up to date,
 - x. Measures to be taken to keep documents and information relating to risk assessments up to date,
 - xi. Internal systems and controls to identify emerging risks and keep business wide risk assessments up to date, and
 - xii. Monitoring and managing compliance with, and the internal communication of, these policies, controls and procedures.
- b. Approve the firm's system for business risk assessment for preventing money laundering;
- c. Have oversight of, and be involved in, money laundering risk assessments of the firm which requires knowledge, understanding and access to any relevant information about the business and have regard for the national and international annual risk assessment findings to inform their performance of their role, these risk assessments must be kept up to date, and their findings should be reported to the management of the firm (guidance from the accountancy bodies stipulates these should be done annually);
- d. Take remedial action where controls are ineffective;
- e. Draw attention to the areas in which systems and controls are effective and where improvements could be made;
- f. Take reasonable steps to establish and maintain adequate arrangements for awareness and training;
- g. Receive the findings of relevant money laundering compliance audits and reviews (both internal and external) and communicate these to Management of the Firm.

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3. The Risk-Based Approach to Anti Money Laundering

The concept of a risk-based approach

Senior management of most firms, whatever business they are in, manage the firm's affairs with regard to the risks inherent in the business environment, the jurisdiction and services that firm operates in, those risks inherent in its business and the effectiveness of the controls it has put in place to manage these risks.

To assist the overall objective to prevent money laundering and terrorist financing, a risk-based approach:

- recognises that the money laundering/terrorist financing threat to firms varies across customers, jurisdictions, products and delivery channels;
- allows management to differentiate between their customers in a way that matches the risk in their particular business;
- allows senior management to apply its own approach to the firm's procedures, systems and controls, and arrangements in particular circumstances; and
- helps to produce a more cost effective system.

A firm therefore uses its assessment of the risks inherent in its business to inform its risk-based approach to the identification and verification of individual customers, which will in turn drive the level and extent of due diligence appropriate to that customer. No procedure will ever detect and prevent all money laundering and terrorist financing, but a realistic analysis of actual risks enables a firm to concentrate its efforts on perceived higher risk areas. A risk assessment matrix³ is commonly used by accounting firms to categorise risk attaching to its client base.

The risk-based approach does not exempt low risk clients, services and situations from CDD, however the appropriate level of CDD is likely to be less onerous than for those thought to present a higher level of risk but ultimately senior management must decide on the extent of measures and their approach taken by the firm for each client risk rating.

The application of a Risk Based Approach in a Professional Services Provider

Section 30A(1) of the 2010 Act requires every firm to perform a risk assessment (the "Business Risk Assessment") to identify and assess the risk to that organisation of money laundering and terrorist financing and that risk factor must take account of at least the six stipulated risk factors:

- 1) The type of customer that the firm has;
- 2) The products and services that the firm provides;
- 3) The countries or geographical areas in which the firm operates;
- 4) The type of transactions that the firm carries out;
- 5) The delivery channels that the firm uses;
- 6) Other prescribed additional risk factors⁴.

As part of its procedures a firm must identify and establish the main internal and external risks faced in respect of those presented by its client base and also those required to ensure that its internal controls are appropriate. Senior management is responsible for managing all the risks faced by the business, including money laundering and terrorist financing risks. These risks should be analysed, and their nature and severity identified and assessed, in order to produce a risk profile.

³ For those firm using the newly updated OmniPro Money Laundering Procedures manual this is the client risk assessment contained in Appendix 2

⁴ For a more exhaustive list of considerations see Schedule 3 and Schedule 4 of the amended 2010 Act

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3. The Risk-Based Approach to Anti Money Laundering *(continued)*

As previously stipulated an annual firm AML risk business assessment is required, which could be the basis for identifying any weaknesses in the system of monitoring AML and the effectiveness of the policies and procedures that require revision having identified the risk to organisation. Senior management should then act to mitigate those identified risks by designing and implementing procedures to address the risk posed and ensure that the system of controls continues to be reviewed to ensure its effectiveness.

Accordingly a firm risk based approach should evolve in response to the findings from the review of the monitoring of the effectiveness of the systems in place.

The risk assessment can be conducted by the MLRO but must be approved by senior management. This is likely to include formal acknowledgement of adoption of the outcomes, including the resulting policies and procedures by the firm. Where revisions to existing AML policies and procedures impacts a firm significantly and those relevant employees training may be needed to ensure are knowledgeable in the AML requirements and to demonstrate compliance with Section 54(6).

Identifying and Assessing the Risks in a Professional Service Provider

The business of many firms, can be relatively simple, involving few products and limited offering of services, with most customers being of a simple client base nature. In such circumstances, a simple approach, building on the assessed risk of the firm's services provided, may be appropriate for most customers, with the focus being on those customers who fall outside the 'norm'. Thereby a single set of AML policies, controls and procedures may suffice right across its operations.

Other firms may have a greater level of business or service offering and therefore might have significantly different risks across its services such as insolvency, bankruptcy or when holding client monies, but large numbers of their customers may be predominantly simple in nature, that adopting a standardised approach to many AML procedures may be practical for the majority of situations of the firm but tailoring when a minority of customers are not straightforward will be required based on their risk assessment.

For firms which operate internationally, or which have customers based or operating abroad, there are additional risk considerations, (i.e. What is the perceived money laundering status or risk of that country, and the effectiveness of their money laundering and terrorist financing enforcement regime, other factors to consider might also include the perceived level of corruption and criminal activity in that country).

Many governments and authorities such as Transparency International⁵ carry out money laundering and terrorist financing risk assessments for their jurisdictions, and firms should have regard to these, as they are generally published and publicly available, which can assist in assessing the geographic AML risk posed to that client.

⁵ Transparency International is a not-for-profit, non-governmental organisation dedicated to fighting corruption and active in nearly 100 countries. It is the creator of the Corruption Perceptions Index, which measures levels of perceived corruption around the world.

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3. The Risk-Based Approach to Anti Money Laundering *(continued)*

In identifying its money laundering risk a firm might consider the following factors:

- its clients, the range of services provided and activity profiles;
- the structure of the firm and the manner in which services are provided to the client (i.e. Segregation of duties and limited communication between department)s;
- the complexity and volume of transactions done by the client;
- its processes and systems; and
- its operating environment.

The firm should therefore assess its risks in the context of how it might most likely be involved in money laundering or terrorist financing. In this respect, senior management should ask themselves a number of questions; for example:

- What risk is posed by the firm's clients/customers?
- What risk is posed by a client's behaviour?
- How does the way the client/customer comes to the firm affect the risk?
- What risk is posed by the products/services the customer is using?

In a fast paced digital modern society where goods and services can easily be sold across borders, firms must take account of the delivery mechanism being used, the service being provided, the end user and the beneficiary in assessing the risk associated with facilitating and providing the service that an Offence under the 2010 Act is not perpetrated.

Designing and Implementing Controls to meet the Risk-Based Approach

Once the firm has identified and assessed the risks it faces in respect of money laundering or terrorist financing through its business risk assessment process as required by Sections 30A of the revised 2010 Act. Senior management must establish and maintain policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified in its risk assessment. These policies, controls and procedures must take account of the size and nature of the firm's business and as required by Section 54(4) they must be approved by Senior Management of the firm. The policies, controls and procedures should cover risk management practices, customer due diligence, reporting, record-keeping, internal controls, compliance management and employee screening

A risk-based approach requires the full commitment and support of senior management, and the active co-operation of business units. The risk-based approach needs to be part of the firm's philosophy, and as such reflected in its procedures and controls. There needs to be a clear communication of policies, controls and procedures across the firm, along with robust mechanisms to ensure that they are carried out effectively, weaknesses are identified, and improvements are made wherever necessary.

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3. The Risk-Based Approach to Anti Money Laundering *(continued)*

Before establishing a client relationship or accepting an engagement a firm must have controls in place to address the AML risks arising from it. The nature and extent of AML controls will depend on a number of factors, including:

- The nature, scale and complexity of the firm's business
- The diversity of the firm's operations, services provided, and the geographical diversity of its client base or if the firm has multiple locations
- The firm's clients, the service provided to that client and the clients activity profile i.e.
 - a. The type of business the client does;
 - b. The volume, frequency and size of transactions;
 - c. The distribution channels used;
 - d. The client is international or domestic; or
 - e. The client is high net worth individual or Politically Exposed Person.
- The extent to which the firm is dealing directly with the clients or is dealing through intermediaries, third parties, correspondents or non face to face access
- The degree to which the firm outsources the operation of any procedures to other (Group) entities.
- Does the firm operate through multiple business units or through branches or subsidiaries.

The application of CDD measures as an extension of the AML controls is intended to enable a firm to form a reasonable belief that it knows the true identity of each customer and beneficial owner, and, with an appropriate degree of confidence, knows the types of business and transactions the customer is likely to undertake. The firm's procedures should include procedures to:

- Identify and verify the identity of each customer on a timely basis;
- Identify and take reasonable measures to verify the identity of any ultimate beneficial owner; and
- Obtain appropriate additional information to understand the customer's circumstances and business, including the expected nature and level of transactions.

When designing a way to analyse the risk and create a risk based assessment approach to AML within a firm, the requirements of Section 30A(1) must be addressed but, factors that reduce risk as well as those that increase risk need to be considered:

- a. Is the client subject to an effective AML regime elsewhere;
- b. Might the firm or the client's business:
 - i. Be used to launder money (e.g. by holding criminal proceeds in a client money account or by becoming involved in an arrangement that disguises the beneficial ownership of criminal proceeds);
 - ii. Be used to facilitate Money Laundering or Terrorist Financing by another person (e.g. by creating a corporate vehicle to be used for money laundering or by introducing a money launderer to another regulated entity); and
 - iii. Suffer consequential legal, regulatory or reputational damage because a client (or one or more of its associates) is involved in money laundering.

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3. The Risk-Based Approach to Anti Money Laundering *(continued)*

Senior management should decide on the appropriate approach to how risk-based assessments should be implemented in light of the firm's structure. The firm may adopt an approach that starts at the organisation area level, or one that starts from service streams provided.

A failure to adopt appropriate procedures would result in a breach of the legislation and result in a fine or imprisonment for term of up to 5 years.

The Client Risk Assessment Process

Based on the risk assessment carried out, where key risk categories are identified, a firm may be able to establish a basis for determining individual clients risk profiles, as low, medium or high which will determine the level of CDD that should be applied in respect of that client and beneficial owner. In considering the basis for determining those client risk profiles the firm's assessment process might take account of the client's legal form, the country in which the client is established or incorporated, and the industry sector in which the client operates. In addition, businesses should also consider the nature of the service being offered to a client and the channels through which the services/transactions are being delivered.

Accordingly when there are identified higher risk client profiles, the firm might consider addressing the risks by performing enhanced due diligence or performing more regular CDD checks or limit the service offering to the client based on controls that may be put in place to address the risk. However in the majority of client cases it is likely that there will be a standard level of CDD, based on the firm's risk appetite.

It should be noted that an assessment of low risk only allows for some reduction of the level of due diligence carried out (see simplified due diligence) – it is not a complete exemption from the application of CDD measures in respect of customer identification. Also it does not exempt the firm from carrying out ongoing monitoring of the business relationship with the customer, nor from the need for such other procedures (such as monitoring) as may be necessary to enable a firm to fulfil its responsibilities under the 2010 Act.

As outlined previously Section 30A(1) of the 2010 Act specifically details risk factors to be considered as part of the business risk assessment for that Firms business active in designing a client risk assessment which addresses these the focus might be:

- Customer Risk – the overall money laundering risk posed by a client based on key risk categories;
- Service Risk – the perceived risk that certain products or services present an increased level of vulnerability in being used for money laundering purposes
- Geographic risk – the increased level of risk that a country poses in respect of money laundering
- Sector Risk – the risk associated with certain sectors that more likely to be exposed to increased levels of money laundering
- Delivery Channel Risk – the risk to the firm can be increased where services are provided to clients who have not been met face to face
- Other Risks as identified and issued by the accounting institutes and authorities

Firms must be able to demonstrate how they assess and seek to mitigate money laundering risks, they must be kept up to date and available for review to the competent authority which for an accounting practice is its governing institute.

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4. Customer Due Diligence (CDD)

Customer Due Diligence is a key element of the anti money laundering requirements and has 12 Sections of the new 2010 Act dedicated to it. Customer Due Diligence is required for all new clients, and is now also required for existing clients if they have not provided identification which has been verified in the past, or you are aware that the information that is held is not up to date or if there are doubts as to its validity.

Firms must determine the extent of their CDD measures and ongoing monitoring using the risk based approach, depending on the type of customer, business relationship, product or transaction. They must be able to demonstrate to their supervisory authority that the extent of their CDD measures and monitoring is appropriate in view of the risks of money laundering and terrorist financing.

Therefore, the purpose of CDD is to know and understand a client's identity and business activities so that any money laundering and terrorist financing risks can be properly managed. The CDD process can be simply summarised in the following diagram

Customer Due Diligence



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4. Customer Due Diligence (CDD) *(continued)*

Identifying and Verifying the Customers Identity

The first requirement is that your firm identify and verify a customer's identity *prior* to:

- **establishing a business relationship with the customer.**
- **carrying out an occasional transaction for a customer**, i.e. a single transaction, or a series of transactions that are, or appear to be linked to each other, where:
 - i. The designated person does *not* already have a business relationship with the customer, and
 - ii. The total amount of money paid by the customer in the single transaction or series of transactions is not less than €10,000.
- carrying out any service for the client, if the firm has **reasonable grounds to believe that there is a real risk that the client is involved in**, or the service sought by the client is for the purpose of, **money laundering or terrorist financing.**
- carrying out any service for the client if the firm has **reasonable grounds to doubt the veracity or adequacy of documents or information previously obtained by it for the purposes of verifying the identity of the customer**, and it has not obtained any other documents or information that can be reasonably relied on to confirm the identity of the customer.

In general, the verification of the identity of the client and the beneficial owner, must take place **before** the establishment of a business relationship or the carrying out of a transaction. However, verification of the identity of the client and beneficial owner may be completed **during** the establishment of a business relationship if:

- this is necessary not to interrupt the normal conduct of business; and
- there is no real risk of money laundering or terrorist financing occurring provided that the verification is completed as soon as practicable after the initial contact.

Identifying and Verifying the beneficial owner of a client

Identifying who the beneficial owner is, can sometimes be problematic and not straightforward as different rules apply to different forms of entities and the obligations on the firm may change for each situation. For example, where the beneficial owner is a legal person (other than a company listed on a regulated market), trust, company, foundation or similar legal arrangement, firms must take reasonable measures to understand the ownership and control structure of that legal person, trust, company, foundation or legal arrangement.

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4. Customer Due Diligence (CDD) *(continued)*

The second requirement of the CDD process is for your firm to establish and verify the identity of a beneficial owner of the client or potential client and a beneficial owner can only be a natural person i.e., an individual (other than in the case of a trust):

Where the customer is	The beneficial owner of the customer is
A company (not listed on a stock exchange)	Any individual who: <ul style="list-style-type: none"> • directly or indirectly owns more than 25% of the shares (25% plus one share) or voting rights in the company, OR • exercises control over the management of the company.
A partnership	Any individual who: <ul style="list-style-type: none"> • directly or indirectly is entitled to or controls more than 25% of partnership profits or capital, or the voting rights in the partnership, OR • exercises control over the management of the partnership.
A trust	An individual or beneficiary who: <ul style="list-style-type: none"> • Has an interest in at least 25% of the trust capital, (or where some/all of the interest have not yet been determined but is the class of persons in whose main interest the trust is set up or operates for) • The settlor and trustee(s) • Any other individual who has control over the trust (e.g., a protector or trust controller).
Other legal entities	Any individual who benefits from the property of the entity where no individual beneficiaries are identified, the class of persons in whose main interest the entity or arrangement was set up or operates, any individual who exercises control over the entity/arrangement.
Estate of a deceased person	The executor or administrator of the estate.
Other cases	Any individual who ultimately owns or controls a customer, or on whose behalf a transaction is conducted.
Where all possible means of identifying the beneficial owner of a body corporate have been exhausted and recorded	The senior individual responsible for management (noting the reasons why the business was unable to obtain adequate information on the beneficial owner, and considering whether it may be appropriate to cease acting, or file a STR).

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4. Customer Due Diligence (CDD) *(continued)*

Identifying who is a Beneficial owner might be a slow and sensitive process when dealing with clients, firms should be diligent in ensuring their obligation under the 2010 Act is met but beware that complex structures might be difficult to identify through information in the public domain and more direct enquiry with clients is required. In addition there may be situations in which someone is considered to be the beneficial owner by virtue of control even though their ownership share is less than 25%.

Example 1

ABC Ltd. is owned 40% by Mr A, 40% by Mr B and 20% by Mr C. Mr C is not able to exercise control over the management of ABC Ltd.

If ABC Ltd. wishes to engage with a firm it has not previously had a business relationship with, the firm will be required to identify the 'beneficial owners' of ABC Ltd., which in this case are Mr A and Mr B, as each has more than 25% of the shares or voting rights in the company.

Example 2

A Ltd. is owned 50:50 by companies B Ltd and C Ltd,

Company B is owned 60:40 by Mr X and Mr Y

Company C is owned 55:45 by Ms W and Mr Z

Due to less than 25% ownership being held in Company A, neither Mr Y or Mr Z are deemed to be beneficial owners of A as they are not able to exercise control over the management of A Ltd.

If A Ltd. wishes to engage with a firm it has not previously had a business relationship with, the firm will be required to identify the 'beneficial owners' of A Ltd., which in this case are Mr X ($60\% \times 50\% = 30\%$ ownership) and Ms W ($55\% \times 50\% = 27.5\%$ ownership) of the shares or voting rights in the company.

Example 3

ABC Ltd. is owned 50% by Mr A, 40% by Mr B and 10% by Mr C. However, Company XYZ has a golden share with controlling power due to loan covenants to facilitate related party lending with it as XYZ Ltd is 100% owned by Mr C.

While on the face of it, it appears that Mr A and Mr B should be the beneficial owners this is not actually the case as ultimately neither is the controlling party as Mr C through the Golden share is the controlling party through his 100% ownership of XYZ Ltd and therefore Mr C is the Ultimate Beneficial Owner even though he holds only 10% of the ordinary share capital.

Example 4

Charity Ltd. is a company limited by guarantee for charitable purposes. It has Directors of the company but there are any number of members with no one member exerting control.

Accordingly as no one shareholder has 25% plus one share ownership of the company, the beneficial owners are deemed to be those exercising control which in this organisation is the Directors, therefore if Charity Ltd wishes to engage with a firm it has not previously had a business relationship with, the firm will be required to perform procedure checks on the directors as the Ultimate Beneficial Owners

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4. Customer Due Diligence (CDD) *(continued)*

Obtaining Documentation for Customer Identification

Your firm can adopt a *'risk based'* approach as to how to establish and verify the identity of a client (or beneficial owner of a customer), i.e. it can identify the most appropriate method to identify and verify the client's identity, taking account of its assessment of the risk of money laundering or terrorist financing presented by the client in question.

The identification phase requires the gathering of information about a client's identity and the purpose of the intended business relationship. Appropriate identification information for an individual would include full name, date of birth and residential address. This can be collected from a range of sources, including the client. In the case of corporates and other organisations, identification also extends to establishing the identity of anyone who ultimately owns or controls the client. These people are the Beneficial Owners.

Verification of that identification information gathered involves validating (with an independent, authoritative source), that the identity is genuine and belongs to the claimed individual or entity.

Typically, you will seek documentary or electronic verification of the customer's:

- Name and date of birth, or
- Name and current address.

Firms may secure this information about individuals using, what is called, the **'one plus one'** method, i.e.



One item of **photographic ID evidence**, such as any of the following:

- Current Passport (Irish or International);
- Current photo card driving licence;
- Current National Identity Card;
- Current Identification form with photo signed by a member of the Gardaí (ML10);
- Social Welfare card with photo ID;
- GNIB⁶ card accompanied by letter from Office of Minister for Integration (signed and stamped); and
- National Age card (free of charge for social welfare recipients).

PLUS

⁶ Garda National Immigration Bureau

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4. Customer Due Diligence (CDD) *(continued)*

One item of **non photographic ID evidence**, such as any of the following:

- Current documentation/cards issued by the Revenue Commissioners showing the name of the person and their PPSN;
- Current documentation/cards issued by the Department of Social Protection showing the name of the person and their PPSN;
- Instrument of a court appointment (such as liquidator, or grant of probate);
- Current local authority document e.g. refuse collection bill, water charge bill (including those printed from the internet);
- Current bank statements, or credit/debit card statements, issued by a regulated financial sector designated person in the Ireland, EU or comparable jurisdiction (including those printed from the internet);
- Current utility bills (including those printed from the internet);
- Current Household/motor insurance certificate and renewal notice; and
- Medical card for over 18s with intellectual disability.

In cases where a plausible explanation is offered by a customer as to why the above non photographic documentation cannot be provided, a firm can choose the following to assist in confirming the identity of the customer, having regard to any data protection requirements:

- Examination of the electoral register (including online version);
- Examination of a local telephone directory or available street directory;
- Confirmation of identity by a known/recognisable employer;
- Search of a relevant agency that can confirm identity.

Non Face to Face Contact with Clients

Additional Customer Due Diligence measures are required where the firm is dealing with a new customer on a non face to face basis, e.g. exclusively over the internet or by telephone, and therefore does not physically meet the customer before establishing a business relationship with them.

Some of the additional Customer Due Diligence measures which can be used are:

- Telephone call to the customer prior to the commencement of the business relationship on a home or business number which has been verified (electronically or otherwise);
- Communicating with the customer at an address that has been verified (such communication may take the form of a direct mailing of account opening documentation to him, which, in full or in part, might be required to be returned completed or acknowledged without alteration);
- Internet sign-on following verification procedures where the customer uses security codes, tokens, and/or other passwords which have been set up during account opening and provided by mail (or secure delivery) to the named individual at an independently verified address; and
- Verification through third party service providers who are also determined as designated persons as per the 4th EU AML Directive.

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4. Customer Due Diligence (CDD) *(continued)*

Obtaining information on the purpose of the business relationship

As detailed earlier the third requirement in performing customer due diligence, using a risk based approach, information from all clients is gathered, on the purpose and intended nature of their business relationship prior to the establishment of the relationship.

However, in most cases, the purpose of the business relationship will be self-evident given the nature of the product or service that the client is seeking, e.g. an individual is a state employee but in receipt of rental income from a property and is looking to have a personal income tax return done.

An initial risk assessment is based on the information gathered during stage one (identification), but this may prompt the gathering of additional information following verification of the evidence gathered. Accordingly, where a firm proposes to enter into a business relationship with a client and your assessment of the risk associated with the client or with the nature of the products or services to be provided to the client indicate a higher than standard risk of money laundering or terrorist financing, then the firm may typically seek to obtain the following information during the establishment of the business relationship:

- nature and details of the business/occupation/employment of the client;
- the expected source and origin of the funds to be used in the relationship, e.g. the client is owns and manages a hotel or the individual is a self-employed sole trader builder, and;
- the anticipated level and nature of the activity that is to be undertaken through the relationship (i.e. Advisory, bookkeeping, payroll, audit, taxation etc).

Refusal to supply Customer Due Diligence information

Where a firm is unable to identify and verify a prospective or existing client's identity or establish the purpose of the business relationship, because of the failure of the prospective or existing client to provide the documentation or information sought, the firm must:

- not provide the service sought by that prospective or existing client or carry out any proposed transaction for so long as the failure to supply the relevant information remains unrectified, and
- terminate the existing business relationship (if any) with the prospective or existing client.

However it is important to note in many cases inability to complete CDD is not a circumstance where an insolvency practitioner can resign and so an appropriate risk based approach should be adopted where the client's management are not cooperative. This risk based approach in this circumstance should take account of the Schedule 3 and Schedule 4 risk factors of the 2010 Act at a minimum with the firm clearly documenting the evidence-based decision-making taken by the firm to better target the risks present.

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4. Customer Due Diligence (CDD) *(continued)*

Ongoing monitoring of the client relationship

The fourth requirement of standard customer due diligence is to monitor the client relationship on an ongoing basis. Using a risk based approach and the completion of the firm's annual risk-assessment, a firm must monitor dealings with all existing clients periodically by scrutinising transactions and the source of wealth or of funds for those transactions, to determine whether or not the transactions are consistent with:

- The firm's knowledge of the clients and the client's business and pattern of transactions, this is done through ensuring CDD is kept up to date through annual enquiry of:
 - a change in the client's identity;
 - a change in beneficial ownership of the client;
 - a change in the service provided to the client; and
 - information that is inconsistent with the business' knowledge of the client.

A revision to the CDD might be required as a result of a specific trigger event to ensure knowledge kept by the firm is up to date. Such circumstances might be identified at:

- the start of a new engagement;
 - planning for recurring engagements;
 - a previously stalled engagement restarting;
 - a significant change to key office holders; and
 - a significant change in the client's business activity (this would include new operations in new countries).
- Any knowledge or suspicion that the firm may have that the clients may be involved in money laundering or terrorist financing. Accordingly in the event there has been a STR (Suspicious Transaction Report) made, due to knowledge, suspicion of money laundering or terrorist financing, care must also be taken to avoid making any disclosures which could constitute tipping off.

Note that in performing ongoing CDD for existing clients the procedures and the extent of information required may not be the same as those for new clients when a new business relationship is established at the start.

Simplified Customer Due Diligence

Simplified Due Diligence (SDD) can be applied when a client is low risk, in accordance with the businesses' risk assessment criteria. While the CDD requirements of:

- identifying and verifying the client;
- identifying and verifying the beneficial owner of the client, if relevant,
- obtaining information on the purpose and intended nature of the business relationship, and
- the ongoing monitoring for unusual or suspicious transactions,

Are still required the extent and frequency of timing may change to reflect the low risk however this does not remove the obligation to conduct ongoing monitoring of the business relationship.

The firms' internal procedures should set out clearly what constitutes reasonable grounds for a client to qualify for SDD and must take into account at least the factors of section 30A of the 2010 Act and the potential low and high risk factors of schedules 3 and of that Act.

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4. Customer Due Diligence (CDD) *(continued)*

SDD measures must not be applied, or continue to be applied, where the firm's risk assessment changes and it no longer considers that there is a low degree of risk of money laundering or terrorist financing or where the firms suspect or has doubts regarding money laundering or terrorist financing (including the accuracy of information and documents for identification purposes). Accordingly a duty to report knowledge or suspicion of money laundering or terrorist financing may exist.

Enhanced Customer Due Diligence

Enhanced Customer Due Diligence (EDD), i.e. over and above Standard CDD, applies where the risk based approach to CDD identify situations in which there is a higher risk of money laundering and terrorist financing and for specific classes of persons and situations as specified in the 2010 Act, these include:

- where there is a high risk as per Schedule 4 of the 2010 Act or the client risk assessment identifies a high risk of money laundering;
- in any occasional transaction or business relationship with a person established in a high-risk third country;
- if a business has determined that a client or potential client is a PEP, or a family member or known close associate of a PEP;
- in any case where a client has provided false or stolen identification documentation or information on establishing a business relationship;
- in any case where a transaction is complex and unusually large, there is an unusual pattern of transactions which have no apparent economic or legal purpose; and
- in any other case which by its nature can present a higher risk of criminal activity, money laundering and terrorist financing.

The firms' internal procedures should set out clearly what constitutes reasonable grounds for a client to qualify for EDD and must take into account the above considerations.

For EDD, a firm should hold a fuller set of information in respect of those business relationships it assessed as carrying a higher money laundering or terrorist financing risk, or where the customer is seeking a product or service that carries a higher risk of being used for money laundering or terrorist financing purposes.

When someone becomes a new client, or avails of a higher risk service offering, or where there are indications that the risk associated with an existing business relationship might have increased, the firm should, depending on the nature of the service being applied, request information as to the:

- client's residential status;
- employment and salary details; and
- other sources of income or wealth (e.g., inheritance, property sale, trade etc

in order to decide whether to accept the application or continue with the relationship.

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4. Customer Due Diligence (CDD) *(continued)*

The firm should consider whether, in some circumstances, evidence of source of wealth or income should be required (for example, if from an inheritance, see a copy of the will). The performance of EDD measures may also include one or more of the following measures:

- seeking additional independent, reliable sources to verify information, including identity information, provided to the business;
- taking additional measures to understand better the background, ownership and financial situation of the client, and other parties relevant to the engagement;
- taking further steps to be satisfied that the transaction is consistent with the purpose and intended nature of the business relationship; and
- Increasing the monitoring of the business relationship, including greater scrutiny of transactions

When seeking additional information, firms should bear in mind their obligations under the GDPR legislation Act only to seek information that is needed for the declared purpose, not to retain personal information longer than is necessary, and to ensure that information that is held is kept up to date.

In addition, a firm should have a clear policy regarding the escalation of decisions to senior management concerning the acceptance or continuation of high-risk business relationships.

Politically Exposed Persons

The most frequent application of Enhanced Customer Due Diligence is when clients of a firm identify as a Politically Exposed Person (PEP). A PEP is an individual who is or, has been entrusted with prominent public functions, or an immediate family member, or a known close associate of such a person. The definition includes persons holding a prominent position in the European Union and international bodies such as the UN, World Bank or IMF.

Examples of PEPs include:

- Heads of state, heads of government, ministers and deputy or assistant ministers;
- Members of parliaments or head of governing body of a political body;
- Members of supreme courts, of constitutional courts or of other high level judicial bodies;
- Members of courts of auditors or of the boards of Central Banks;
- Ambassadors, charges d'affaires and high-ranking officers in the armed forces, and
- Members of the administrative, management or supervisory boards of State-owned enterprises.

Under the 2010 Act these categories do not include middle-ranking or more junior officials. An individual ceases to be a PEP after he has left office for one year.

Individuals who have, or have had, a high political profile, or hold, or have held, public office, can pose a higher money laundering risk to designated persons as their position makes them vulnerable to corruption. This risk also extends to members of their immediate families and to known close associates. PEP status therefore puts a customer into a higher risk category although if the business is not aware of any factors that would place the individual in a higher risk category, the individual may be categorised as a low risk PEP.

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4. Customer Due Diligence (CDD) *(continued)*

In relation to PEPs, a firm is required to take the following steps prior to establishing a business relationship with a client (or beneficial owner) or carrying out a transaction:

- Have appropriate risk-based procedures to determine whether the customer is a PEP;
- Obtain appropriate senior management approval prior to establishing a business relationship with a PEP; and
- Take adequate measures to establish the source of wealth and source of funds which are involved in the business relationship or occasional transaction

Firms must treat PEPs on a case-by-case basis, and apply EDD on the basis of their assessment of the money laundering risk associated with any individual PEPs. Regardless however of the risk rating of the PEP the firm is required to conduct enhanced ongoing monitoring of the business relationship.

Relying on third parties to carry out CDD

In certain circumstances a firm can rely on CDD carried out on a potential customer or beneficial owner by another third party. This is permitted only if the other third party is a member of the regulated sector in an EEA or non-EEA state, to an equivalent regulatory regime which includes compliance supervision requirements equivalent to the EU Directive.

Reliance on the third party for CDD is conditional that both parties enter into an agreement (that should be in writing) to ensure that the other party will provide the CDD documentation immediately on request. The CDD carried out is for the purposes of:

- identifying and verifying a customer;
- identifying and verifying the beneficial owner of a customer, if relevant, and
- obtaining information on the purpose and intended nature of the business relationship.

It is important to note that, the firm engaging in the business relationship with the customer remains liable for any failure by the third party to carry out the CDD correctly.

Accordingly the firm must confirm with the third party that they (the third party) will keep the identification and verification data and other relevant documentation on the identity of the customer and that the third party accepts the obligation to provide information to the firm as soon as practicable on request.

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4. Customer Due Diligence (CDD) *(continued)*

Examples of circumstances where a firm might rely on the fact that a third party has already undertaken CDD measures in relation to a customer include:

- where a firm enters into a business relationship with, or undertakes a service for, a customer through a network group referral.
- where one member of a financial group introduces a client to another member company of the same group.
- Where a firm is providing subcontracted work for another firm, on behalf of a client

Example

Firm, A, is engaged by another firm, B, to help with work for one of its clients or some other underlying party, C, then A should consider whether its client is in fact B, not C. For example, where there is no business relationship formed, nor is there an engagement letter between A and C, it may be that CDD on C is not required but should instead be completed for B.

However, on the other hand, where there is significant contact with the underlying party, or where a business relationship with it is believed to have been established, then C may also be deemed a client and CDD may be required for both C and B.

Gathering Evidence and Certifying Copies of Documents

Client verification means to verify on the basis of documents or information obtained from a reliable source which is independent of the person whose identity is being verified. Documents issued or made available by an official body can be regarded as being independent.

It is important that verification procedures are undertaken on a risk-sensitive basis. Therefore the collection of information and its extent is linked to firm risk assessment and the client specific risk assessment.

To support compliance and proof of the verification the firm's staff should certify that the original documents were seen by the relevant employee prior to making or receiving the document. Effectively that relevant employee is endorsing the copy with a clear indication of the date in which they are doing so. The relevant person should also state their position within the firm to clearly identify that the relevant person has the knowledge and understanding of what they are certifying having obtained the appropriate training to do so in accordance with the firms policies and procedures and firms risk assessment criteria.

In the event the relevant person in receipt of the documents has not viewed the original documents that relevant person should clearly document that it is not an original and the original has not been viewed to ensure the firm in assessing the client risk profile is aware of the risk posed by the information supplied. If possible the information should be validated by way of firm verification checks, such as independent confirmation and follow up procedures.

In summary for all documents received the source of the document and date received to the firm should be indicated

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4. Customer Due Diligence (CDD) *(continued)*

Delays in the provision of Information

Customer due diligence procedures are not required before a prospective client agrees to become a client of the firm. However, they may sometimes request that you start work straightaway if there is an imminent deadline such as that for filing a tax return or making an investment before the tax year end, and some clients will not like the delay whilst you undertake identification procedures.

Section 33 of the 2010 Act allows the verification of the identity of the customer and the beneficial owner to be completed during the establishment of a business relationship if this is necessary not to interrupt the normal conduct of business and where there is little risk of money laundering or terrorist financing occurring. In such situations these procedures must be completed as soon as practicable after the initial contact.

So essentially it may be acceptable to have a short extension (to allow for information collection to be completed) provided the cause of the delay is administrative or logistical, not the client's reluctance to cooperate. It should be noted however that these circumstances are expected to be rare and it should be approved by the MLRO or senior management before starting work without full customer due diligence information.

A firm should understand that if the client is able to deliver books, records or other documents to be worked on it should also be practicable to provide proof of identity at the same time. Therefore the firm should be in a heightened situation of AML at preliminary stages which may impose a duty to report to the authorities while the service is given the perception of being performed to ensure tipping off does not occur until the firm obtains satisfactory evidence of identity, or decides not to continue with the business relationship.

The key is to train staff (including the administration staff) to request this information when setting up meetings, rather than first raising it during the meetings.

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5. Reporting of suspicious transactions

Identifying a Suspicious Transaction

For an accountancy firm or its employees to recognise what is suspicious to a certain client means that the individuals working on the assignment must have a good knowledge of the client and of the industry sector in which that client operates and in addition be able to recognise what is suspicious.

A suspicious transaction is one which makes you question what it is, or what it is for thereby raising a suspicion that it does not sit comfortably within the client profile.

For example:

- If there is a complex business structure for no apparent reason;
- If deals are set up using large amounts of cash;
- If the client has in the past changed financial adviser frequently for no apparent reason;
- If the client wants the firm to handle or hold large amounts of money for no apparent purpose;
- If they are using overseas representatives or agents;
- If there are large amounts of travel that cannot be commercially justified;
- If they have been or want to invest in financial products but appear more interested in cancellation terms rather than performance;
- If the client has no clear source of funds; or
- If the client wants to utilise trust vehicles for no apparent reason.

In addition there are other issues to consider as an accountant;

- Does the client receive large payments from overseas which are matched to equal payments leaving the clients account at a similar time;
- Has the client purchased or sold services or products at a price which is significantly above or below its commercial worth;
- Without commercial justification have they become unexplainably more profitable;
- Are they paying fees or commissions which are unusual for the business sector in which they operate;
- Do they not keep proper records; or
- Is there a high turnover compared to other clients in the same sector.

To be able to carry out an appropriate assessment of these factors it is essential that the firm knows its client and the client's business sector in great detail.

The Reporting Obligations

A firm is required to have internal reporting procedures in place that facilitate their employees disclosing their concerns if they know or suspect that someone (whether a client or not) is involved in money laundering activities through reports to the firm's MLRO.

Prior to submitting a report they may wish to discuss the issue with the partner, manager or principal in charge of the assignment, who may be able to provide additional information that will help them decide whether a report is needed. However, the decision to report or not is their personal decision, since the liability for failure to report is also theirs to bear.

NOTE Discussing the issue with your partner, manager or principal is not a report to the firm's MLRO.

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5. Reporting of suspicious transactions *(continued)*

Once an internal report has been made to the MLRO regarding a suspicion with a client or a suspicious transaction it is up to the MLRO to consider the report in the light of any relevant available information and determine whether it gives rise to such knowledge or suspicion (or reasonable grounds for knowledge or suspicion). If so an external report must be reported to An Garda Síochána and the Financial Intelligence Unit⁷ via GoAML (<https://fiu-ireland.ie/Home>)

Making an External Report

Since 12 June 2017, reports by accountants about money laundering suspicion can only be submitted electronically to An Garda Síochána via the new goAML website.

goAML is an online software solution specifically designed by the United Nations Office on Drugs and Crime (UNODC) for use by state Financial Intelligence Units (FIUs) throughout the world.

Suspicious Transaction Reports (STRs) pursuant to section 42 Criminal Justice (Money Laundering & Terrorist Financing) Act 2010 were previously received by the FIU and Office of the Revenue Commissioners in paper format. However, from 12 June 2017, goAML is the online system through which designated bodies, including accountants, will submit money laundering suspicion reports to An Garda Síochána and in paper form to the Revenue Commissioners. **An Garda Síochána have advised that they will no longer accept paper reports on the ML1 Standard Reporting Form and all designated bodies, including solicitors, must submit reports using goAML.**

Once a report has been made to the Garda Síochána the Financial Investigation Unit will provide the firm with an acknowledgement and every user of goAML can view his or her already submitted reports along with their current status.

If either the suspect or the transaction cannot be linked to criminal conduct then the MLRO will receive feedback that no further action will be taken.

A detailed user guide to goAML can be viewed at the following location,

http://www.antimoneylaundering.gov.ie/en/AMLCU/ITS_goAMLWeb_Userguide.pdf/Files/ITS_goAMLWeb_Userguide.pdf

In the event the MLRO has determined an External Report is required to be made, the MLRO should ensure a copy of the submission made to the Financial Intelligence Unit is retained. The MLRO should print a copy of the submission made for the firm records, and in addition a copy of the submission made should be sent to the Revenue Commissioners.

A suspicious activity report may be followed by requests for further information from FIU Ireland or the Revenue Commissioners. Firms need to have in place procedures for checking the validity of any such requests and for ensuring a proper response is made.

⁷ The Financial Intelligence Unit (FIU) is part of the efforts of Government in combating money laundering and the financing of terrorist activity. The core role of the FIU is to serve as the country's central reception point for the receipt, analysis and dissemination of information contained in Suspicious Transaction Reports (STRs) and other reports from competent authorities regarding suspicions of money laundering and terrorist financing.

OmniPro – Anti Money Laundering Guidance

5. Reporting of suspicious transactions *(continued)*

It is an offence for an suspicion or known knowledge of money laundering and terrorist financing having not been reported to the FIU Ireland however there are the following defences against failure to disclose:

- There is a reasonable excuse for not making the disclosure. However, it is anticipated that only relatively extreme circumstances – such as duress or threats to safety – would be accepted;
- The privileged circumstances exemption applies; (**NOTE** - Audit work, book-keeping, preparation of accounts or tax compliance assignments are unlikely to take place in privileged circumstances)
- The relevant employee concerned did not know about or suspect MLTF and had not received the training required by Regulation 54 of the 2010 Act. As no training was provided, the relevant employee is not bound by objective test – i.e., to always report when there are 'reasonable grounds' for knowledge or suspicion – but the business has committed an offence by failing to provide training.

Only sole practitioners, who employ no relevant employees, have a duty to submit suspicious transaction reports straight to the FIU Ireland.

Failure to report can carry a fine of up to €5,000 or on conviction an imprisonment term of up to 5 years.

Tipping Off or Prejudicing an Investigation

Once a report has been made it is important for the firm and for its employees to ensure that they do not tip off the client that a report has been made or carry out any actions which could prejudice any investigation which may be undertaken.

The term 'Tipping Off' refers to the firm or individual within the firm alerting the client or other third parties to the fact that a report has been made in respect of a suspicion of money laundering or terrorist financing or that an investigation is underway or maybe carried out.

Tipping off is not only prohibited by the Act but is listed as an offence which can carry a fine of up to €5,000 or on conviction an imprisonment term. Tipping off would be any activity which would prejudice an investigation.

An offence is not committed if a relevant professional adviser makes a disclosure to another within the same profession (e.g. accountancy) but from a different business, who is of the same professional standing (including with respect to their duties of professional confidentiality and protection of personal data), when that disclosure:

- relates to a single client or former client of both advisers; and
- involves a transaction or the provision of a service that involves both of them; and
- is made only for the purpose of preventing a money laundering offence; and
- is made to a person in an EU member state or a state imposing equivalent AML requirements.

The MLRO needs to ensure that they are familiar with the 2010 Act to ensure they know what disclosures can or cannot be made.

OmniPro – Anti Money Laundering Guidance

5. Reporting of suspicious transactions *(continued)*

The firm, for example, is permitted to make normal commercial enquiries to understand a transaction which has been carried out in the course of an engagement and this will not generally lead to the prejudicing of an investigation however care must be taken not to alert the client and it is important to restrict any enquiries to only those which would be required in the normal course of the engagement.

In particular a firm must not attempt to investigate the matter unless the matter falls within the scope of the professional engagement.

In complex circumstances consultation with the Garda Síochána may be necessary before enquiries are continued.

If any doubt exists the firm or individual should seek legal advice.

OmniPro – Anti Money Laundering Guidance

6. Record Keeping

The Core Obligations for Keeping Records

Firms must retain:

- copies of, or references to, the evidence they obtained of a customer's identity, for not less than five years after the end of the customer relationship; and
- details of customer transactions for five years from the date of the transaction.

Firms should retain:

- details of actions taken in respect of internal and external suspicious transaction reports; and
- details of information considered by the MLRO in respect of an internal report where no external report is made.

Firms must delete any personal data relating to CDD and client transactions in accordance with Section 55 of the 2010 Act revised, firm should also be mindful that this has a correlation with a firm's GDPR obligation not to retain personal client information for a period longer than is necessary once the business relationship has ceased and there is no longer a legal basis for the holding or processing of that data.

What records have to be kept?

The precise nature of the records required is not however the objective is to ensure that a firm meets its obligations and that, in so far as is practicable, in any subsequent investigation the firm can provide the authorities with its section of the audit trail.

The firm's records should cover:

- Customer information
- Transactions
- Internal and external suspicion reports
- Other records being;
 - MLRO annual firm review (and other institute or external review) reports;
 - Information not acted upon; and
 - Training and AML compliance monitoring.

Customer information

For the purpose of verifying a customer's identity, firms must keep a copy of any documents or information it obtained to satisfy the CDD measures required for AML under the 2010 Act.

In the event a firm identifies a customer as requiring enhanced customer due diligence or ongoing monitoring additional information will be sought and this will also be required to be retained.

Where a firm is relying on third party verification and has received a certificate confirming identity, this certificate will in practice be the evidence of identity that must be kept.

Any records of identification evidence must be kept for a period of five years after the business relationship with the customer has ended, i.e. the ceasing of service or receipt of final payment.

OmniPro – Anti Money Laundering Guidance

6. Record Keeping *(continued)*

Upon the expiry of the five year period referred, firms must delete any personal data unless:

- the firm is required to retain records containing personal data by, or for the purposes of any court proceedings, or under, any other enactment; or
- the firm has reasonable grounds for believing that records containing the personal data need to be retained for the purpose of legal proceedings; or
- the data subject has given consent to the retention of that data.

If a firm is acting as a third party verifier as that firm is being relied on by another firm for customer due diligence purposes, that firm must keep the records of the verified client and the certification provided for five years from the ending of the business relationship with the client.

Where documents verifying the identity of a client are held in one part of a group, they do not need to be held in duplicate form in another. The records do, however, need to be accessible to the nominated officer or MLRO of the Group and to all areas that have contact with the client, and be available on request, to enforcement bodies.

When an introducing branch or subsidiary undertaking ceases to trade or have a business relationship with that client, but the wider group continues to have an active business relationship the group must ensure copies of records are retained for at least five years as the business relationship has not ceased for the group as a whole. Likewise this is relevant if the branch or subsidiary ceased to be part of the group.

Most firms have standard procedures which they keep under review, and will seek to reduce the volume of records which need to be stored, whilst still complying with statutory requirements. Retention may therefore be:

- by way of original documents;
- by way of photocopies of original documents;
- in scanned form; or
- other electronic form.

Regardless of the format in which they are kept, or whether the transaction was undertaken by paper or electronic means, the record retention requirements are the same.

Transactions

All transactions carried out on behalf of or with a client in the course of relevant business relationship must be recorded within the firm's records. Transaction records in support of entries in the accounts, should be maintained in a form from which a satisfactory audit trail may be compiled.

Records of all transactions relating to a client must be retained for a period of five years from:

- where the records relate to an occasional transaction, the date when the transaction is completed; or
- in other cases, the date the business relationship ended, i.e. the ending of the service provided.

OmniPro – Anti Money Laundering Guidance

6. Record Keeping *(continued)*

But: a firm is not required to retain records relating to transactions occurring in a business transaction relationship for more than 6 years⁸. Upon the expiry of this period, as previously stated firms must delete any personal data unless:

- the firm is required to retain records containing personal data by, or for the purposes of any court proceedings, or under, any other enactment; or
- the firm has reasonable grounds for believing that records containing the personal data need to be retained for the purpose of legal proceedings; or
- the data subject has given consent to the retention of that data.

Internal and external reports

A firm should make and retain:

- records of actions taken under the internal and external reporting requirements; and
- when the MLRO has considered information or other material concerning possible money laundering, but has not made a report to the FIU Ireland / GoAML, a record of the other material that was considered.

In addition, copies of any Suspicious Transaction Reports made to the FIU Ireland / GoAML should be retained.

As with other AML records, records of all internal and external reports should be retained for at least five years from the date the report was made.

Other Records

Section 54 (6) of the 2010 Act states “*A designated person shall ensure that persons involved in the conduct of the designated person’s business are—*

- a) instructed on the law relating to money laundering and terrorist financing, and*
- b) provided with ongoing training on identifying a transaction or other activity that may be related to money laundering or terrorist financing, and on how to proceed once such a transaction or activity is identified.”*

Therefore in support of this at a minimum a firm’s records in relation to training should include:

- dates AML training was given;
- the nature of the training; and
- the names of the staff who received training.

The next section of this guidance document will deal with specific obligations on training of staff.

A firm’s records should also demonstrate compliance with the monitoring of AML internally and should include: -

- any reports by the MLRO to senior management; and
- any records of consideration of those reports and of any action taken as a consequence.

⁸ GDPR requires that personal information be subject to appropriate security measures and retained for no longer than necessary for the purpose for which it was originally acquired. Note that the period of Statute of Limitations in Ireland for a civil case is 6 years.

OmniPro – Anti Money Laundering Guidance

6. Record Keeping *(continued)*

A firm must establish and maintain systems which enable it to respond fully and rapidly to enquiries from the FIU Ireland or a member of Garda Síochána not below the rank of Sergeant, relating to:

- whether it maintains, or has maintained during the previous five years, a business relationship with any person;
- the nature of that relationship;

and if necessary the provision of documents or records.

There is no restriction on the relevant records required to be maintained in Ireland so long as the information can be accessed and provided promptly. However, where identification records are held outside Ireland, it is the responsibility of the Irish firm to ensure that the records available do in fact meet Irish legislative requirements. No secrecy or data protection legislation should restrict access to the records either by the firm, or by Irish law enforcement agencies upon request. If it is found that such restrictions exist, copies of the underlying records of identity should, wherever possible, be sought and retained within the Ireland.

OmniPro – Anti Money Laundering Guidance

7. Training and Awareness

Responsibilities of the Firm for the training of Staff and awareness for AML

Section 54(6) requires a firm ensures that persons involved in the firms day to day business are:

- instructed on the law relating to money laundering and terrorist financing, and
- provided with ongoing training on identifying a transaction or other activity that may be related to money laundering or terrorist financing, and on how to proceed once such a transaction or activity is identified.

One of the most important controls over the prevention and detection of money laundering is to have staff who are alert to the risks of money laundering/terrorist financing and well trained in the identification of unusual activities or transactions which may prove to be suspicious. The effective application of even the best designed control systems can be quickly compromised if the staff applying the systems are not adequately trained.

Accordingly employees should be

- made aware of the risks of money laundering and terrorist financing, the relevant legislation, and their obligations under that legislation
- made aware of the identity and responsibilities of the firm's nominated officer and MLRO
- trained in the firm's procedures and in how to recognise and deal with potential money laundering or terrorist financing transactions or activity

To support the ongoing aspect of the legislation the staff training should be given at regular intervals, and details appropriately recorded.

In accordance with paragraph (7) of section 54 of the 2010 Act an MLRO is responsible for oversight of the firm's compliance including its requirements in respect of staff training and in support of this a director or senior manager has overall responsibility for the establishment and maintenance of the effectiveness of the training arrangements as per paragraph (8) of the same section.

The overall objective of training is not for employees to develop a specialist knowledge of criminal law. However, failure of the firm to provide such training as a result of staff being unable to identify money laundering and terrorist activity can result in a fine and or imprisonment of up to five years.

Training methods and its content

There is no single solution when determining how to deliver training; a mix of training techniques may be appropriate. On-line learning can often provide an adequate solution for many employees, but there will be those types of employees for whom such an approach is not suitable and so focused classroom training can be more effective.

Ongoing training should be given at appropriate intervals to all employees. Particularly in larger firms, this may be required at regular frequent intervals where there is regular intake of new employee's and to ensure new employee have appropriate training and fully understand the money laundering requirements and procedures of the firm.

OmniPro – Anti Money Laundering Guidance

7. Training and Awareness *(continued)*

Training programmes should be tailored so that employees understand the AML risks posed by the specific services they provide and types of client they deal with, and so are able to appreciate, on a case-by-case basis, the approach they should be taking in accordance with the firms AML procedures. Furthermore, firms should aim to create an AML culture in which employees are always applying a risk based approach to CDD and ongoing monitoring so they are alert to the risks of money laundering and terrorist financing.

Frequency of Training

As described in the previous section, records should be kept showing who has received training, the training received and when training took place.

However, the frequency of the training can be influenced by changes in legislation, regulation, professional guidance, case law and judicial findings (both domestic and international), also as explained earlier the country and profession risk assessments/profiles may require specific consideration. A change in a firms service offering may also require a revision in the AML training required to be given to employee's (i.e. Investment Business authorisation).

Therefore, it may be appropriate to provide employees with concise updates to help refresh and expand their knowledge and to remind them how important effective anti-money laundering work is.

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ACCOUNTANTS GROWTH FORMULA SUCCESS PATH PLANNER



STEP 1	TRAJECTORY	MAXIMUM SCORE	YOUR SCORE	The Priority Order	The Tool	The 80/20	The Action
1.1	Are you clear on your Personal Purpose and have you documented it?				7 Levels Deep and Personal Purpose Tool		Invest 20 minutes in (Watch Simon Sinek Start With Why TED Talk on Youtube) and do the 7 Levels Deep to identify your personal purpose
	No	0					
	Yes	10					
1.2	Do you have a clearly defined, timed and documented exit plan?				7 Steps to Build to Sell		Document when and how you want to to exit your business and what are the first steps in doing that?
	No	0					
	Yes	10					
1.3	Have you decided on and documented the business model that you are pursuing?				The Built to Sell Model		Define your business model - not how you operate, what you do or who you serve - What is your business model?>
	No	0					
	Yes	10					
1.4	Have you documented your Business Strategy identifying your outcome goals that are in alignment with your personal purpose, your exit plan and your business model?				The Strategy Fundamentals		What do you want out of your business? Flip the P&L Upside down and remember intangible profits, intangible costs, intangible assets and intangible liabilities.
	No	0					
	Yes	10					
1.5	Have you created process goals for each component of your Business Strategy and the outcome goals you have set for yourself?				Driving the Strategy		What are the process goals that if you focus on and make them habits are going to achieve the outcome goals and the stra
	No	0					
	Yes	10					
	Section Maximum Total Score		50				
	Your Score		0				
STEP 2	WHOS	MAXIMUM SCORE	YOUR SCORE	The Priority Order	The Tool	The 80/20	The Action
2.1	What best describes your current team scenario and how you feel about it				Your Unique Ability and Discovering Your Super Power		What is your Unique Ability and what other Unique Abilities do you need around you. What is not a strength for you personally. Focus on abilities and not people at this stage.
	I do not have anyone to help and support me	1					
	I have a team but sometimes I feel it would be better to be on my own	2					
	I have a team and there are some great people but it is not working the way it should and there is too much stress	5					
	I have an excellent team but there is still scope for improvement	7					
	I have the best team in the world	10					
2.2	Are you and others doing things in your business that are not best use of time or playing to your unique abilities?				The Inventory Tracker		What should you be doing in your business and what should you not be doing? Where exavtly does all the time go and what do you need to get off your desk?
	Yes all the Time	0					
	Sometimes	5					
	Never	10					
2.3	Do you have a documented organisation chart based on roles and responsibilities rather than names?				Your Organisation Chart		Document your current team Organisation Chart based on what everyone currently does using names of current team members.Then document your ideal organisation chart 3 years from now based on roles and
	No	0					
	Yes	10					

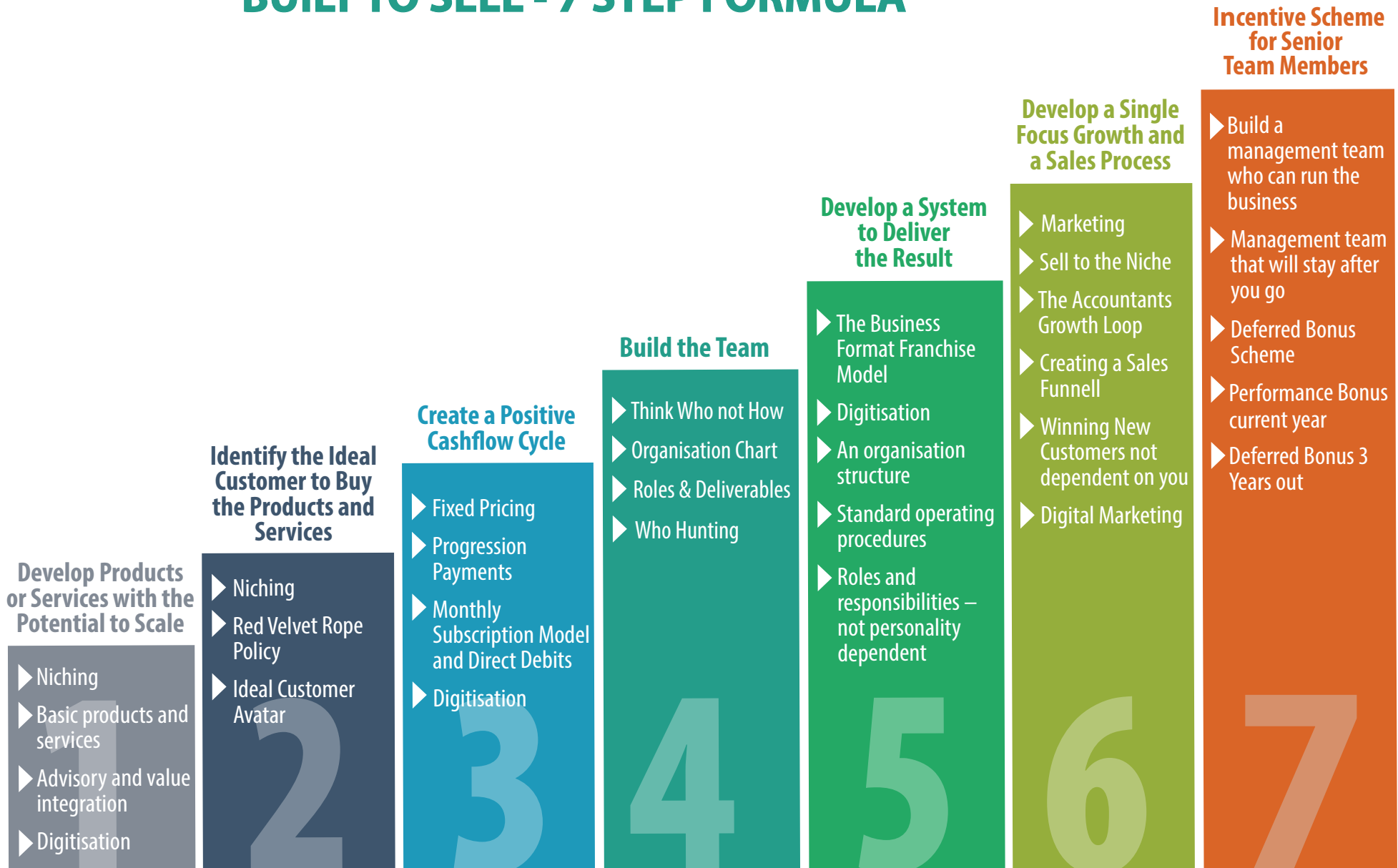
2.4	Do you invest the time and have the routines and rituals to manage your existing team and optimise outputs?							Document the routines and rituals that will allow you build a winning originaisation - Your personal routines and rituals, your team routines and rituals, monthly management meetings, weekly operational meeetings and daily huddles to get people unstuck
	No	0			Routines and Rituals			
	Yes	10						
2.5	Do you have a documented plan and consistently invest time in attracting new better team members (both internal and external)?							Who Hunting - what do you need to do to attract the internal and external whos to build your business. Who is the first Who and if you already have them Who is your next Who
	No	0			The WHO Hunter			
	Yes	10						
	Section Maximum Total Score	50						
	Your Score	0						
STEP 3	CUSTOMERS	MAXIMUM SCORE	YOUR SCORE	The Priority Order	The Tool	The 80/20	The Action	
3.1	Do you have a clearly documented Red Velvet Rope Policy that your team are clear on in terms of what customers and behaviours you will and will not accept							What are the Minimum Standards you are prepared to accept in new incoming customers? What are the minimum standards you are prepared to accept in your existing customers?
	No	0			Create a Red Velvet Rope Policy			
	Yes	10						
3.2	Have you documented who and what an Ideal Customer looks like and created customer Avatars?							Who is your ideal customer and what do they really want and need? What do they actually look like and how will you know when you have found them. You will have multiple avatars and always remember you are not your
	No	0			Connecting with Your Ideal Customer ? (Defining your ideal?) and Creating ?Customer Avatars			
	Yes	10						
3.3	Have you identified and documented a niche or niches where you can find Ideal Customers who you will enjoy working with and make money?							Identify possible niches remembering that you want to pick sustainable niches with sustainable profit potential. Remember you may have more than 1 niche.
	No	0			Pick a Niche			
	Yes	10						
3.4	Have you documented your Customer Classification for Existing Customers							Do your Traffic Light Grading and your Customer Grading Matrix to really identify who your ideal existing customers are and who are the ones that need an upgrade or exit?
	No	0			Customer Grading Matrix			
	Yes	10						
3.5	Do you have any customers that need a Price Rise Conversation, to change how you work with them or to terminate the relationship?							Pick a customer to have a Customer Upgrade or Termination Conversatio
	No	0			Customer Upgrade or Termination Checklist			
	Yes	10						
	Section Maximum Total Score	50						
	Your Score	0						
STEP 4	THE 4 PS	MAXIMUM SCORE	YOUR SCORE	The Priority Order	The Tool	The 80/20	The Action	
	Proposition and Positioning							
4.1	Which statement currently best describes your business?							What is your proposition and and what is your positioning in the the market place? Do you want to be a Dacia Duster, A Volkswagen Passat or a Porchse? All are cars that have 4 wheels and an engine that will get your from A to B. The brand, positioning and proposition is fundamentally different as is the price tag? Do you want to be like a 2 Star Hotel, a 4 Star or a 6 Star? Whatever you decied to be you need to develop a proposition that is reflective of your value. Your Value in the eyes of your customers and the value you want to create in your
	We don't care, as long as you have a check book and a pulse we will do whatever you want	1			Whats Your Number and Simplify to Scale			
	We do tax and compliance only. Really if you are looking for anything more you should go elsewhere.	4						
	We provide a full suite of services for small businesses. bookkeeping, accounting and tax service so you can meet all your compliance requirements	8						
	I help your business get the results you want. We do that by providing a really good and comprehensive accounting and tax service but we will support and advise you to build the business you want	14						

	This relationship is not just about your business - its about success whatever that looks like for you. We serve business owners in getting the success they want in business and in their personal lives. We do that using our expert team but also our network of trusted advisors	20					business for you. Calculate whats your number. Use the Simplify to Scale exercise to see how you can deliver more value to your customers.
4.2	Which best describes you and your firm?						
	If you want something done on the cheap I have the lowest prices in the market.	1					
	I am not the cheapest accountant you will ever find but you will find it hard to beat my prices	4			The Price Rise Calculator		Having considered your Positioning and Proposition the quickest easiest way to create a better less stressfull business is to raise your prices. Use the Price Rise Calculator to calculate the impact prices rises could have on your top and bottom line even if you lost some customers.
	I do good work for very competitive prices	8					
	I might be a little bit more expensive than other accountants but I provide the value	14					
	I am expensive but we are worth every penny	20					
4.3	PRODUCT						
	We have a clearly defined and documented product offering setting out what we can do like a menu in a restaurant					Your Value Ladder and Your Pricing Menu Draft 1	If you were a restaurant what is on the menu? Every dish can be tailored to a customers taste but they have to see the options in order to make an informed decision. This menu should also be able to show your customer
	No	0					
	Yes	10					
	We have a clearly documented customer success path or ascension model for every customer so that we can serve them at whatever level they want but show them a pathway to progress their business based on the service levels available and enhance our relationship?					Your Customer Success Path ? (Success Path Planner?)	Customer ascension are the types of services you provide but what does success look like for your customers? Map out a customer success path to clarify your products and services and to also refine your marketing message and create a powerfull sales tool at the same time. What could success look like for your customers and create a step by step pathway to get them there.
	No	0					
	Yes	10					
4.4	PRICE						
	Which of the following best describes your firm?						
	We raise the fees when the job is complete based on timesheets and let the customer know what the amount is.	1					
	We agree the price for every job in advance of starting the work.	6					
	We give the customer the choice as to what level of service they want based on our pricing menu. This is agreed in advance	12			Proposals/Professional Service Agreements & Changer Orders - Questions to Ask Before Setting a Price and After Action Reviews		Move from Retrospective Billing and struggling with Debtors and WIP to Fixed Price Agreements and Menu Pricing through Value Pricing on to a fully integrated Memberised Model. The process for pricing and onboarding is a never ending journey? Use the tools to start and see where it brings you.
	Customers self select their pricing based on our pricing menu and we have unlimited access and customer satisfaction guarantees built in	15					
	We value price our customers at premium prices where the partake in setting the price and we meet and exceed their expectations every time	20					
4.5	Customer Success Path						
	Have you got a clearly documented customer success path?	20				Customer Success Path	What does success like for your customers? Different customers will want different results. If you had 5 primary customer tyopes what would success look like for them at each stage of evolution
	Section Maximum Total Score	100					
	Your Score	0					
STEP 5	QUICK WIN GROWTH	MAXIMUM SCORE	YOUR SCORE	The Priority Order	The Tool	The 80/20	The Action

5.1	Which of the following best describes you and your business right now?						
	I am totally overwhelmed and don't even know where to start	1					
	I am under serious pressure and feel like a hamster on a wheel	5			Diary Zoning & 100 Day Planner		All progress starts with thinking. Thinking on its own does not create progress. Progress comes down to taking action. Taking action in our own business and creating the time to do so is the biggest challenge facing accountants. Revisit the finding 2 hours in Coronavirus times, focus on Diary Zoning and work your 100 Day Planner
	I am working really hard but sometimes wonder am I really being effective in what I am doing and don't always feel in control	9					
	I am making good progress, feel in control and am working on my business on a consistent basis	15					
	I am master of time and the universe	20					
5.2	Do you have Results Conversations with your better customers at regular intervals?				Results Conversation Review & Revenue Optimiser		The quickest easiest way to grow your business is to retain existing customers, grow revenues generated from those customers and get those customers to help you generate more customers and fees. Have the Results Conversation with existing customers. Use the Revenue Optimiser to focus your attention on who you should have Results Conversations with first
	No	0					
	Yes	10					
5.3	Do you ask for and follow up on Referrals from existing customers in a structured way				Customer Story Review		Ask For Referrals from existing customers. Identify the Wins or the Customer Stories. Create the circumstances to celebrate those wins and then ask for Referrals to Ideal customers who you can create more wins with and
	No	0					
	Yes	10					
5.4	Do you have relationships with serial referrers or influencers who can introduce you to new ideal prospects on an ongoing basis				Accountants Growth Loop		Ask For Referrals from existing customers. Identify the Wins or the Customer Stories. Create the circumstances to celebrate those wins and then ask for Referrals to Ideal customers who you can create more wins with and for.
	No	0					
	Yes	10					
5.5	Do you focus on additional business and cash generation opportunities at least once per month				9 Quick Win Cash Strategies		Always play the strategic long game build a better business, a scaleable saleable business, but do not let the short term opportunities pass you by. Keep Quick Win Cash Strategies in your peripheral focus.
	No	0					
	Yes	10					
	Section Maximum Total Score	60					
	Your Score	0					
STEP 6	AUTOMATION & SYSTEMISATION	MAXIMUM SCORE	YOUR SCORE	The Priority Order	The Tool	The 80/20	The Action
	Tech Stack						
6.1	What best describes your technology right now?				Tech Stack Self Assessment Questionnaire		Tehcnology is ever evolving but where are you right now. Do a genuine self assesment of where you are right now. Do not overthink taking the next step. Assess, decided and move on. Technolgy is changing and evolving all the time. This is an ongoing process and an ongoing evolution for your and your firm. Be honest as to where you really are. Having a fw apps sitting on a shelf does not make you a digital business. What is the first next step?
	Using technology in your business at an operational level but not cloud based	3					
	Using technology with an app stack and partial remote access but not fully automated or cloud	7					
	Fully cloud with full app stack and remote working capabilities	13					
	Truly digital firm that is fully automated	20					
6.2	What best describes how you collect fees right now?						For both new and existing customers how can you make the change over from how they are currently operating
	Retrospectively by cheque or EFT based on fees raised	3					

	By customer controlled fixed price standing order	7					
	On a progress basis by cheque or EFT based on a pre-agreed fee	10			The Switcher Tool		the change over from how they are currently operating to the way that you want them operating ? The Switcher Tool is about you looking from a customer perspective to make the switch to you and how you want to work with business owners as seamless and effortless as possible. Think Simplify
	By DD or credit card by a progress payment	15					
	On an automated recurring membership payment monthly, quarterly or annually	20					
6.3	What best describes how you work with your customers at the moment						
	Open Model						
	They do things whatever way they want and then we work with that	3					
	Choice Model 1						
	We show them how we do things and if they choose to do them differently it will cost them more	8			The Built to Sell Model		We are bringing the Accountants Growth Formula to a close near where we started. How does your business operate and what is your proposition. If you want to scale and grow your business your model may need to change. What is the model that is truly going to give you the result you want?
	Choice Model 2						
	We show them how we do things and if they chose to do them differently we convert them to our way once they come into our ecosystem.	15					
	Closed Model						
	We tell them this is how we do things and they can chose to work with us or not	20					
6.4	How true is this statement - you have documented processes and procedures for everything we do in the business.						
	Partly true but only in limited areas	4					
	Most operational parts of the business have standard operating procedures.	8			Procedure Tracker and Template Process Creation		If you are too busy to standardise how your business operates, chances are you will always be too busy. What if your firm were like a franchise and the franchise were to run based on your processes and procedures as documented in your procedures manual. Systemisation and standardisation is the key to a scaleable firm.
	When a new team member starts we can hand them a procedures manual that covers 90% of what they do	15					
	We could franchise our business in the morning	20					
6.5	Do you use offshoring or outsourcing as part of your team strategy?						
	No	0			Outsource Option Assessor		If you have the systems. If you have the procedures. If you have the methodology of attracting a steady stream of ideal customers now is the time to scale. If you are ready to scale outsourcing is an option you must consider.
	Yes	10					
	Section Maximum Total Score	90					
	Your Score	0					

BUILT TO SELL - 7 STEP FORMULA



Simplify to Scale

PROPOSITION SIMPLIFY

STEP 1 - Easier to Use Make the user experience easy and simple

Eliminate

Remove everything except what is absolutely essential to a business owner

Make Intuitive and Easier

Remove all causes of frustration and create a reporting and communication process that gives them what they want and need. Make it easier to become a customer

Make Faster

Turn around your information and deliver the services quicker or give the customer real time data that they can use in their business

Make Smaller / Lighter / More Portable

Distill the information they need to drive their business into a dashboard and give them flexible access

Make Easier to Obtain

Make your product more easily accessible from a client perspective

PROPOSITION SIMPLIFY

STEP 2 - More Useful

Vary Performance
have different service levels

Improve Quality
provide customers with better information to help them make better decisions and build better businesses

Add New Capabilities
by way of extension services and strategic adoption of technology

Provide a Wider Range of Products
by expanding your service offering and service levels

Personalise your customer experience and relationship
through a combination of systemic personalisation of delivery and a process of intentional wows

STEP 3 - More Aesthetically Appealing

How can you enhance the appeal of your product? Can you improve the appearance or texture or how it makes the user feel? Can you turn consumption into a great experience? Can you introduce a creative and artistic finish to your service delivery?

PRICE SIMPLIFY



STEP 1 - Subtract Features

What is the core primary function of your product/service

What is essential and what is non-essential?

Reduce non-essential and reduce cost

Subtract Size

Reduce service levels for those who do not want more and in do so reduce the expense of production

STEP 2 - Reduce Variety

Invent a universal product that serves your customers by following a consistent process and model

STEP 3 - Add Cheap Benefits

Can you provide a benefit or a bonus to your product offering that is low cost (or free) for you to add that would provide substantial value for your customer?

STEP 4 - Automate

Standardise how the work is done by creating standard operating procedures that optimise the use of technology and automation.

STEP 5 - Orchestrate

Provide a unifying plan – conduct the acquisition of customers and the people who deliver the result those customers want into one place on one platform.

PRICE SIMPLIFY

STEP 6 - Co-opt Customers

Get the customer involved – show them a way to reduce expert time and encourage self-assembly. Make the customers part of your sales force bringing in new ideal customers

STEP 7 - Sell Direct

Create a direct supply sales channel to multi-entity introducers & niche customers. Expand your own service offering and create a supply chain to provide other products and services. Use technology to change how new customers are acquired

STEP 8 - Use Simpler Technology

Use disruptive technology to change how you acquire, interact with, serve and relate to your customers.

STEP 9 - Scale Up

Scale up building volume to reduce costs and grow nationally and / or roll out internationally.



The Accountant's Revolution

BLUEPRINT

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The Six Step Success Path

New 6 Steps to Success – Phase 1

- Trajectory (Strategy & Business) Model
- Who
- Customers
- Product Price Positioning
- Quick Win Growth
- Automation and Systemisation

New 6 Steps to Success – Phase 2

- The Second Layer of Implementation
- Your Success Path

The Accountants Revolution

Trajectory (Strategy & Business) Model

- **Built to Sell**
 - The saleable scale able automatic business
 - Step 1 Develop Products or Services with the Capacity to Scale
 - Step 2 Identify the Customers to buy the products and services you want to sell
 - Step 3 Create a Positive Cashflow Cycle
 - Step 4
 - Step 4 Develop a System to Deliver the Result
 - Step 5 Develop a Single Focus for Growth and a Sales Process
 - Step 6 An attraction and retention plan for Team
- **Simplify**
- Modelling the most successful scaling business in the world
- **Proposition Simplify**
 - Step 1
 - Make it Easier to Use and Access
 - Eliminate everything that is to essential
 - Make it Intuitive and Easier
 - Make it Faster
 - Make it Portable
 - Make it Easier to get what you really want
 - Step 2
 - Make it More Useful and More Valuable
 - Variable levels of service
 - Improve Quality
 - Add New Capabilities
 - Provide a Wider Range of Services
 - Personalise
 - Step 3
 - More Aesthetically Pleasing

Price Simplify

- Subtract Features
- Reduce Variety
- Co-Opt the Customer in Choice of Service Level
- Add Cost Effective Benefits
- Automate
- Orchestrate
- Co-Opt the Customers
- Use Simpler Better Technology
- Scale Up

The Membership Economy & The Forever Transaction

Customer Centric Business

- Deeply and truly understanding what the customer wants and needs
- What does the owner want?
- How are they going to implement?
- Look through employed team members eyes
- Accepting that some clients want everything, and some clients just want compliance
- Meeting the customer where they are on their journey
- Showing them the first next steps on their success path
- Give them options
- Give them a road map
- Accepting that not everyone is going to go all the way
- Getting clear on what you do and what you don't do.
- Have a Red Velvet Rope Policy?
- Who is

The Business of Accounting

- The Business owners needs to choose
- The owner's role is to develop a business
- Are you an entrepreneur?
- Are you an accountant?
- Are you an entrepreneurial accountant?
- Are you an accountant who owns a job?
- Are you an accountant who owns a business?
- An architect who has developed a system that gets a result that customers want
- If you were to emigrate to Australia on 1st of January 2021 and you wanted to still run your business as your primary source of income

- **Generate a Profit – But at what price**
- Bottom Line Profit
- Indirect Costs Non-Financial
- Indirect Costs Financial
- Direct Costs
- Turnover

- The owner's role is to develop the platform
- **Connecting - Client wants and needs with the resources**
- Internal who's
- External who's
- To get the results that customers want
- Doing accounting and bookkeeping Vs Developing a customer platform
- The business's role is to get a result for customers
- The business's role is to achieve customer success

The Memberised Firm

- **Why**
 - The Ascendancy Model
 - Recurring Income
 - Subscription Model
 - Membership Model
 - Standard Accounting Firm V Subscription V Membership
 - Standard accounting firm
 - Transactional Focused
 - They Might Recur
 - There is loyalty
 - There are referrals
 - Is there connection?
 - Subscription
 - Financial Arrangement
 - Membership an Attitude an Emotion
- **Why Now**
 - The shift is brought on by an outside force
 - It ties into a human need
 - Think Maslow's Hierarchy of Needs
 - The impact can be seen across a wide range of industries and companies
 - This trend becomes the new normal

- **How**
 - Designing a model of operation
 - Not just one-way connection
 - Firm down
 - Not just a two connection
 - Provide feedback
 - Tell us what they want
 - Three-way connection
 - Firm down
 - Feedback up
Respond to wants and needs
 - Peer connection
 - What do people want
Belonging

- **What**
 - Examples
 - Facebook
 - LinkedIn
 - Netflix
 - Adobe
 - Microsoft
 - Xero
 - Quick Books
 - Oral B
 - Amazon
 - Vodafone
 - American Express
 - Newspapers
 - The Ice Bucket Challenge
 - Alan Weiss
 - Dollar Shave Club
 - The Nail Concierge

What does an Accountant Really Need?

- Automated digital firm
- Minimised Dependency on Personalities
- Not dependent on partner / principle being in the office
- Remote Management
- Digital Partner Role
- Client Interaction
- Freedom
- What does that look like?
- Freedom
- Freedom to work from home
- Freedom to work abroad
- Extended holidays

Who not How

- Who are your 5 Whos?
- We are all only 5 who's away from industry domination
- Who do you have? Who do you need?
- Where are your Whos
- External Whos
- How do you engage with your Whos
- How do your Who's want to work

Nurturing your Greatest Asset – Your Customers

- Who are your Customers?
- Who are your ideal customers?
- What is your red velvet rope policy
- Who are your non-ideal customers?
- What is Customer Success
- What does Success Look Like for Them
- Not what you think it looks like - What it actually looks like
- What does a forever customer look like
- What is the Customer Success Path

The 4 Ps – Proposition, Product, Price and Positioning

- Product
 - Have a customer service success Path
 - Have a customer play book
 - 4 or 5 things that you can do really well as consulting projects embedded in our model
- What is the Product Stack?
- Service Stack
 - **Level One**
 - Basic, Basic, Basic
 - Output
 - Nominal ledger & Trial Balance
 - Self-Done
 - Verification, checking and review
 - Firm Done
 - No partner involvement
 - Self-Done
 - Tech Stack - Co-opt the customers to work in the way that we want them
 - Firm Done
 - Customer does what they want
 - Interface
 - This is how we do it
 - A system
 - A process
 - The external system
 - The internal system
 - Entry Point
 - Either the firm does the work
 - Or the firm checks the client work
 - The outputs are the same
 - **Level 2**
 - Accounting
 - Statutory financial statements
 - Income tax returns
 - Corporation tax returns
 - Co Sec Compliance
 - Audit
 - No Partner involvement

- Deal with your customer liaison
- Deal with your customer success agent
- Pay for a partner upgrade
- Closing meeting
- What is a partner upgrade?
- Zoom call

- **Third Level**
 - Management
 - Management accounts
 - Analysis & KPIS / Dashboard
 - App
 - Cashflows and projections
 - App
 - Basic business and personal budgeting
 - Business finance sources and resources
 - Trouble shooting and problem solving
 - Tax Planning
 - No Partner involvement
 - Deal with your customer liaison
 - Pay for a partner upgrade

- **Fourth level**
 - Strategy
 - Wealth management
 - Fee basis
 - Wealth creation
 - Strategic planning and implementation
 - Leveraged advisory
 - Customer Masterminds
 - Virtual FD
 - Partner Involvement
 - Leveraged partner Involvement
 - Pay for more partner involvement - unlimited access
 - Create Project Work
 - Value Pricing Factored into the Basic Menu Pricing - with Options for Add on Projects

- **Fifth Level**
 - Projects / Problem Solving
 - Fixed Pricing / Pricing in Advance
 - Value Pricing
 - Bigger firms have bigger internal capabilities
 - Do we do it internally?
 - Do we refer to trusted external partners?

- **Pricing**
 - Embedding Value in the Model
 - Service Stack Maps into your Menu Pricing
 - What level
 - What level of activity
 - How do you Price
 - How do your price now?
 - Retrospective Based on Time Sheets
 - Fixed Pricing
 - Menu Pricing
 - Value Pricing
 - Membership Pricing

How do insurance companies' price?

- - What is the mathematical formula to account for claims
 - 100 Customers take out car insurance
 - Each policy costs \$1000
 - The insurance company know that statistically based on risks and past results that there will be 10 claims of \$5000 each
 - The cost of managing those customers is \$25000
 - Their profit margin is \$25,000
 - What is the mathematical formula to account for claims
 - I have X clients of this type
 - Some will overuse
 - Some will under use
 - What resource do I need to create a basic result
 - What resources are going to be consumed
 - How do I match the value to the customer success experience
 - Factor in a buffer
- **The accountant has 50 Clients**
 - The average fee is \$2000
 - The total income is \$100,000
 - The direct team costs are 40 %
 - GP of \$60000
 - The office overhead is \$15000
 - The infrastructure overhead \$20000
 - Client apps
 - Accountant tech structure
 - The net profit is \$25,000

- Some clients consume more resources than others
 - Some clients consume less resources than others
- If the model is working well do you want a \$250,000 business or do you scale the model to a \$500,000
- The underlying automatic capture process to TB is on the client or at least shared by them
 - This is the variable
 - Use technology
 - use client education
- From TB to statutory accounts is fixed price
- We monitor the consumption by doing After Action Reviews
- We advise the customers who are gone off track
Here is how you stay at this price point?
- We modify the price only if absolutely necessary
- We modify the customer behavior
- The focus is on outputs
- The focus is on customer success
 - The focus is on the result that they want
 - Compliance
 - Compliance plus direction
 - Compliance plus direction plus wealth creation
 - Compliance plus direction plus wealth creation plus taking over the world
- Group the clients appropriately
- Build the system so it the time variable processing dent impact on the end result because you have co-opted the customer
- Move them through the pricing model
- The focus is on Customer Success
- Membership
- Accountants already have recurring fees
 - Positive Business Model
 - Blocker to change
- Customer Success Agents V Accountants and Bookkeeper

Quick Win Growth

- The Accountants Growth Loop
- Your Customer Funnel - Your Customer Chute
 - Awareness
 - Contact
 - Results Conversation
 - Trial
 - Scoping
 - Sign Up
 - Loyal Member
 - Increased Engagement
 - Referrals
 - Testimonials / Case Studies
- Quick Cash Accelerator
- New Customer Acquisition

Leverage – Automation & Systemisation

- **Automation and Systemisation**
 - Business Model
 - Tech Stack
 - Internal Processes
 - External Processes
 - This is how we do it here
- **Closed Model**
 - External client facing
 - Internal operational system
 - For example
 - Xero
 - Receipt bank
 - Pleo
- **Choice Model**
 - Big Business Stack
 - Small business stack A
 - Xero + Receipt bank
 - Bigger business that needs better OCR
 - Xero + Hub Doc
 - Small businesses less receipts
 - Small business Stack B
 - QB + Auto Entry

Open Model

- We will work whatever you have
- Price cheaper our preferred operating system/ stack

What is our tech Stack?

What should be in our tech stack?

- **Practice Management System**
 - CRM
 - Customer Information
 - Customer Tracking
 - Billing
 - Reporting
 - Internal Firm Reporting
- **Deadline Management**
 - Tech options
 - Onkho
 - Xero Practice Management
 - Sage Practice Solution
 - Workflow Max
 - Senta
- **Accounting System**
 - Bookkeeping
 - Xero
 - Big Red Cloud
 - Surf
 - Quick Books
- **Financial Reporting**
 - Sage Accounts Production
 - Relate
 - CCH
 - Iris
- Other Apps
- **Invoice Automation**
 - Receipt Bank
 - Auto Entry

- **Payroll**
 - BrightPay/ Thesaurus
 - Collsoft

- **Quoting, Proposals and Onboarding**
 - Practice Ignition
 - Go Cardless
 - Cloud Pricing

- **AML**
 - IDPal

- **DD Service Provider**
- **Payment Gateway**
 - Bank Platform with Overlay App
 - Go cardless
 - Stripe
 - NuaPay
 - LumiPay
 - PayPal

- **Integrated Expense Management Tool**
 - Soldo
 - Pleo
 - Expensify

- **Reporting/ Dashboard/ Cashflow**
 - Fathom
 - Float
 - Fluidly
 - Futrli
 - Spotlight
 - Syft
 - Castaway
 - Flex
 - Xapier

- **Project Tracking**
 - Timely

- **Team Communications**
 - Microsoft Teams
 - Slack
 - Zoom

- **Customer Communication**
 - CRM
 - Zoom
 - Text Facility

-
- VOIP Phones
- No handsets via teams
- Ask me Anything Sessions

- **Online on Website Interaction**
 - Drift
 - Zen Desk
 - Into firm Knowledge Hub

- **Paperless Office**
 - Virtual Cabinet
 - DocuWare
 - E-file Cabinet

- **Website**
 - Portal
 - Virtual Cabinet
 - Education Portal
 - Kajabi
 - Lead magnet Hosting

- **Email service provider**
 - Infusion Soft
 - Business Automation
 - Tagging

- **Community**
 - Facebook groups
 - Client Community Builder / Forum

- **Knowledge Base**
 - Zen Desk

- **Diary Management**
 - Oncehub
 - Calendly
 - Capterra
 - Integrating with a calling platform like zoom
 - ScheduleOnce
 - Acuity Scheduling

- **Client User Apps**
 - Shopify
 - Quaderno
 - Taxomate
 - Industry specific

- Farmers
 - Farmflo
 - Figured
 - Health Sector
 - Clinkiko
 - Retailers
 - Vend
 - Construction
 - BuilderTend
 - SimPro
 - Professionals
 - Harvest
- **The Changing Role of the Accountant**
 - Capitalise
 - IWOCA
 - Satago
 - Operations
 - Zapier Integrations for Day to Day activities
 - Fintech Platforms
 - Cashplus
 - Systems hosting
 - Process Street
 - Knowledge Platforms
 - Zen Desk
 - Kajabi/
 - Artificial Intelligence

The Second Layer of Implementation

- Operations
- Marketing and Business Growth
- Technology
 - Income tax platform
 - Bookkeeping VAT
- Profit Focused KPIs
 - Volume
 - Duration
 - New Customers
 - Retention
- Developing a winning team and organisation
 - Management Process
 - Meeting Rhythms
 - Roles And Deliverables
- Talent Retention

- Optimising effectiveness
 - Work Practices
- Managing Your Development
 - Personal Evolution
 - Business Evolution
 - Team Development
- Leveraging Your Business
 - Accountancy Business Acquisition
 - Strategic Partnerships
 - Advanced Brand Building
 - New Client Acquisition
 - Freemium
 - Digital Marketing
 - Telesales
- Scaling Your Business
- Your Success Path
 - Start Up Firm
 - Established Firm - Not Digital

The Implementation Plan

- **10 Steps to Success**
 - Where are you now?
 - Self-Assessment across the core areas of your business and model
 - What do you want and what does it look like?
 - What is the strategy?
 - What is the Gap?
 - How do we close the Gap?
 - Your Success Path
 - Bringing you step by step from where you are to where you want to be
 - What are the Priorities?
 - What is the ONE Thing?
 - What is the action plan?
 - Who are the who's?
 - First next steps

- **The Biggest Blocks**
 - Existing Customers
 - Good Enough
 - Time

- **Making Lasting Change**
 - 6 Steps to Change
 - Success Habits
 - Strategic Goals
 - Process Goals
 - Success Habits
 - Effective Diary Zoning

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